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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 2, 1953
For actions of July 1, 1953
83rd-1st, No. 121

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HIGHLIGHTS: Senate passed foreign aid bill. Senate debated trade agreements bill. Sen. Aiken and Rep. Hope introduced, and Sen. Aiken discussed, emergency-loans bill for farmers and stockmen.

SENATE

1. FOREIGN AID. Passed with amendments H. R. 5710, to extend the Mutual Security Act (pp. 7995-8015, 8017-28). Senate conferees were appointed (p. 8028).
Agreed to the following amendments:
 - By Sen. Thye, stating U. S. policy to encourage foreign free enterprise and labor unions and to discourage cartels (pp. 7996-8).
 - By Sen. Mansfield, providing that the mutual security program shall end June 30, 1955 (instead of 1956) and that appropriated funds, if obligated by that date, may remain available for 1 year thereafter (instead of 3 years thereafter)(pp. 7998-8000).
 - By Sen. McClellan, modified, by a 49-35 vote, providing that the President shall make available certain amounts for military assistance to eligible countries through currency conversion agreements involving purchase of U. S. agricultural commodities (pp. 8001-10, 8021-3).
 - By Sen. Saltonstall, providing that funds for mutual defense, if obligated before June 30, 1955, may remain available for 2 years thereafter (p.8021).

Rejected, 34-48, moves by Sen. Long to cut the authorization by \$2 billion, and also rejected, 38-42, an attempt by Sen. Long to reduce the amount to the House figure (pp. 8023-8).
2. TRADE AGREEMENTS. Began debate on H. R. 5495, to extend the reciprocal trade agreements program (pp. 8028-31).
3. DISASTER RELIEF. The Public Works Committee reported with amendments S. 2199, to allow State and local governments during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government (S. Rept. 489) (p. 7980).

4. LAND TRANSFERS. The Agriculture and Forestry Committee reported without amendment S. 1400, to permit the Department to release the reversionary rights of the U. S. to a tract of rural-rehabilitation land in Wake County, N. C. (S. Rept. 490), and S. 2163, to authorize conveyance to N. C. of certain lands and improvements constituting the U. S. cotton field station at Statesville, N. C. (S. Rept. 491) (p. 7981).
5. WHEAT IMPORTS. The Agriculture and Forestry Committee reported without amendment S. Res. 127, to direct the Committee to investigate importation of wheat classified as unfit for human consumption and to report to the Senate by Jan. 31, 1954 (S. Rept. 492)(p. 7981). Referred to Rules and Administration Committee.
6. PERSONNEL. Sen. Carlson inserted a table showing countries in which alien U. S. employees are under the Civil Service Retirement Act (pp. 8020-1).
7. APPROPRIATIONS. In reporting the Labor-HEW appropriation bill for 1954 (see Digest 119), the Appropriations Committee concurred in the House figure of \$1,250,000 (\$350,000 under the revised estimate) for the Mexican farm labor program. It also concurred in the House action providing \$18,673,261, the original estimate, for vocational education. The Committee recommended a limitation on such education in the distributive occupations, and the committee report said this would prevent funds from being diverted from agriculture, home economics, etc.
8. SOCIAL SECURITY. Sen. Morse inserted an Oreg. Grange resolution favoring extension of the Social Security Act to farmers (p. 7980).
9. FARM PROGRAM. Sen. Langer stated that N. Dak. farmers are discouraged at the drop in farm prices and inserted a constituent's letter favoring wheat acreage allotments instead of quotas and requesting 100% of parity (p. 7995).

HOUSE

10. EXTENSION SERVICE. A Judiciary subcommittee voted to report to the full Committee H. J. Res. 161, to authorize the President to designate 1953 as the 50th Anniversary Year of Farm Demonstration Work (p. D645).
11. APPROPRIATIONS. Began debate on H. R. 5969, the defense appropriation bill for 1954 (pp. 8036-88).
12. EDUCATION. The "Daily Digest" states the Education and Labor Committee "approved a clean bill for reporting...which would amend and extend Public Law 815 (81st Congress) relative to school construction in areas affected by Federal activities" (p. D645).
13. PERSONNEL. The Government Operations Committee submitted part 2 of its report on H. R. 5228, to provide retirement annuities for Comptroller Generals (p. 8092).

BILLS INTRODUCED

14. SOCIAL SECURITY. S. 2260, by Sen. Lehman (for himself and others), to amend the Social Security Act, including its extension to farmers; to Finance Committee (p. 7981). Remarks of author and text of bill (pp. 7981-90).
15. DROUGHT LOANS. S. 2267, by Sen. Aiken (for himself and others), to provide for additional emergency assistance to farmers and stockmen; to Agriculture and

Forestry Committee (p. 7981). Remarks of author (pp. 8015-7), including the text of the bill and an analysis of its provisions. H.R. 6054, by Rep. Hope.

16. COTTON QUOTAS. H. R. 6040, by Rep. Smith, Miss., to amend the cotton marketing quota law; to Agriculture Committee (p. 8093). Also H. R. 6047, by Rep. Winstead.
17. EDUCATION. H. R. 6049, by Rep. Kearns, to continue school-construction aid in federally affected areas; to Education and Labor Committee (p. 8093).
18. DROUGHT RELIEF. H. R. 6053, by Rep. Hays, Ark., to provide drought relief; to Agriculture Committee (p. 8093).
19. SOCIAL SECURITY. H. R. 6044, by Rep. Elliott, to amend the Social Security Act, including benefits for farmers; to Ways and Means Committee (p. 8093). Remarks of author (pp. 8088-9).

ITEMS IN APPENDIX

20. FARM INCOME. Sen. Langer inserted a Kathryn Mutual Elevator Co. resolution urging assurance of adequate farm income and opposing further increases in interest rates (pp. A4235-6).
21. CATTLE PRICES. Rep. Patman inserted a letter from a school superintendent to the Secretary discussing the possibility of using the school lunch program as an outlet for surplus beef (pp. A4241-2).
22. TREATIES. Sen. Knowland inserted Sen. Kuchel's address, and Rep. Sutton inserted a newspaper editorial, favoring the Bricker resolution to limit treaty powers (pp. A4223-4, 4243-4).
23. ELECTRIFICATION. Sen. Gore inserted a Washington Post article, "TVA Has Salvaged a Whole Region in Two Decades" (pp. A4244-5, 4252-3).

BILL APPROVED BY THE PRESIDENT

24. ECONOMIC CONTROLS. S. 1081, to amend and extend the Defense Production Act. Approved June 30, 1953 (Public Law 95, 83rd Cong.).

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Rm. 105A.

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S. 2267

IN THE SENATE OF THE UNITED STATES

JULY 1 (legislative day, JUNE 27), 1953

Mr. AIKEN (for himself, Mr. ANDERSON, Mr. BUTLER of Nebraska, Mr. YOUNG, Mr. LANGER, Mr. MUNDT, Mr. BARRETT, Mr. CASE, Mr. JOHNSON of Texas, Mr. CLEMENTS, Mr. STENNIS, Mr. MONRONEY, Mr. MCCLELLAN, Mr. KERR, Mr. JOHNSON of Colorado, Mr. McCARRAN, Mr. MILLIKIN, Mr. THYE, Mr. DANIEL, Mr. SCHOEPPel, Mr. BENNETT, Mr. CARLSON, Mr. WELKER, Mr. GILLETTE, Mr. HUMPHREY, Mr. GRISWOLD, Mr. BRICKER, Mr. MALONE, Mr. TAFT, Mr. KUCHEL, Mr. GOLDWATER, Mr. WATKINS, Mr. DWORSHAK, Mr. COOPER, Mr. KNOWLAND, Mr. HENDRICKSON, Mr. HICKENLOOPER, Mr. JACKSON, Mr. EASTLAND, Mr. JOHNSTON of South Carolina, Mr. HOEY, Mr. HOLLAND, Mr. DOUGLAS, Mr. MANSFIELD, Mr. MORSE, Mr. HUNT, Mr. MURRAY, Mr. KEFAUVER, Mr. FULBRIGHT, Mr. GREEN, Mr. HILL, Mr. SPARKMAN, and Mr. MAYBANK) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To provide for additional emergency assistance to farmers and stockmen, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Act of April 6, 1949 (63 Stat. 43, as
4 amended), is hereby further amended by adding these new
5 subsections as follows:

1 "ECONOMIC DISASTER LOANS

2 "SEC. 2. (b) The Secretary is authorized in connection
3 with any major disaster determined by the President to war-
4 rant assistance by the Federal Government under Public Law
5 875, Eighty-first Congress, as amended (42 U. S. C. 1855),
6 to make loans to farmers and stockmen for any agricultural
7 purpose in the area covered by the determination of the Presi-
8 dent, if he finds that an economic disaster has also
9 caused a need for agricultural credit that cannot be met for a
10 temporary period from commercial banks, cooperative lending
11 agencies, the Farmers' Home Administration under its regu-
12 lar loan programs, or other responsible sources. The loans
13 shall be made at such rates of interest and on such general
14 terms as the Secretary shall prescribe for such area.

15 "SPECIAL LIVESTOCK LOANS

16 "SEC. 2. (c) For a period of two years from the effec-
17 tive date of this Act loans for \$2,500 or more may be made
18 to established ranchers or stockmen (including corporations
19 or associations engaged in the business of financing cattle
20 if they are owned and controlled by ranchers and stockmen
21 engaged in the business of buying and selling cattle) who
22 have a good record of operations, but are unable temporarily
23 to get the credit they need from recognized lenders and have
24 a reasonable chance of working out of their difficulties with

1 supplementary financing. The loans may be made on such
2 security as the borrower has available and for the time
3 reasonably required by the needs of the borrower but not
4 exceeding, in the first instance, a period of three years.
5 The creditors of the applicant will not be asked to subordinate
6 their indebtedness but must be willing to work with the
7 borrower to the extent of executing standby agreements
8 for such periods of time as is reasonably necessary to give
9 the borrower a chance to substantially improve his situation.
10 The loans shall bear interest at the rate of 5 per centum per
11 annum and shall be made on such other terms and conditions
12 as the Secretary shall prescribe. The loans shall be subject
13 to approval by a special committee appointed by the Secre-
14 tary to serve for the particular area as determined by the
15 Secretary. Loans exceeding \$50,000 shall also be approved
16 by the Secretary. The committee shall consist of at least
17 three members appointed by the Secretary from local financ-
18 ing institutions, livestock operators, and persons having rec-
19 ognized knowledge of the livestock industry. The committee
20 shall perform such additional functions under this Act, in-
21 cluding general direction of the servicing of the loans, as
22 the Secretary may prescribe. The members shall serve at
23 such compensation as the Secretary shall determine not
24 exceeding \$25 for each day spent on the work of the com-

1 mittee and shall be entitled to receive transportation costs
2 and per diem in accordance with standard Government travel
3 regulations.

4 "EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

5 "SEC. 2. (d) The Secretary is authorized in connection
6 with any major disaster determined by the President to war-
7 rant assistance by the Federal Government under Public
8 Law 875, Eighty-first Congress, as amended (42 U. S. C.
9 1855), to furnish to established farmers, ranchers or stock-
10 men feed for livestock or seeds for planting for such period
11 or periods of time, at reasonable prices, but the Secretary
12 may waive repayment in whole or in part if in his judgment
13 circumstances so require. The Secretary may specify such
14 others terms and conditions as he may determine to be re-
15 quired by the nature and effect of the disaster. The Secre-
16 tary may utilize the personnel, facilities, and funds of any
17 agency of the United States Department of Agriculture, in-
18 cluding Commodity Credit Corporation, for carrying out
19 these functions and may reimburse the agencies so utilized
20 for the value of any commodities furnished which are not
21 paid for by the farmers or ranchmen, and for administra-
22 tive expenses necessary in performing such functions."

23 AMENDMENTS TO EXISTING PROVISIONS

24 The last sentence of subsection 2 (a) is renumbered as
25 subsection 2 (e) and a comma and the word "reimburse-

1 ment” shall be inserted after the word “loans” in said sub-
2 section.

3 The letter (a) in the last clause of subsection 2 (b) is
4 deleted, the subsection is renumbered as subsection 2 (f),
5 and there shall be added at the end thereof the following new
6 sentence: “There is hereby authorized to be appropriated
7 to the revolving fund such additional sums as the Congress
8 shall from time to time determine.”

A BILL

To provide for additional emergency assistance to farmers and stockmen, and for other purposes.

By Mr. AIKEN, Mr. ANDERSON, Mr. BUTLER of Nebraska, Mr. YOUNG, Mr. LANGER, Mr. MUNDT, Mr. BARRETT, Mr. CASE, Mr. JOHNSON of Texas, Mr. CLEMENTS, Mr. STENNIS, Mr. MONRONEY, Mr. MCCELLAN, Mr. KERR, Mr. JOHNSON of Colorado, Mr. MCCARRAN, Mr. MULLIKIN, Mr. THYE, Mr. DANIEL, Mr. SCHOEPP-PEL, Mr. BENNETT, Mr. CARLSON, Mr. WELKER, Mr. GILLETTE, Mr. HUMPHREY, Mr. GRISWOLD, Mr. BRICKER, Mr. MALONE, Mr. TAFT, Mr. KUCHEL, Mr. GOLDWATER, Mr. WATKINS, Mr. DWORKSHAK, Mr. COOPER, Mr. KNOWLAND, Mr. HENDRICKSON, Mr. HICKENLOOPER, Mr. JACKSON, Mr. EASTLAND, Mr. JOHNSTON of South Carolina, Mr. HOEY, Mr. HOWLAND, Mr. DOUGLAS, Mr. MANSFIELD, Mr. MORSE, Mr. HUNT, Mr. MURRAY, Mr. KEFAUVER, Mr. FULL-BRIGHT, Mr. GREEN, Mr. HILL, Mr. SPARKMAN, and Mr. MAYBANK

JULY 1 (legislative day, JUNE 27), 1953

Read twice and referred to the Committee on
Agriculture and Forestry

83D CONGRESS
1ST SESSION

H. R. 6054

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 1953

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

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1 1855), to make loans to farmers and stockmen for any agri-
2 cultural purpose in the area covered by the determination
3 of the President, if he finds that an economic disaster has also
4 caused a need for agricultural credit that cannot be met for a
5 temporary period from commercial banks, cooperative lend-
6 ing agencies, the Farmers' Home Administration under its
7 regular loan programs, or other responsible sources. The
8 loans shall be made at such rates of interest and on such
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17 compensation as the Secretary shall determine not exceeding
18 \$25 for each day spent on the work of the committee and
19 shall be entitled to receive transportation costs and per diem
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9 agency of the United States Department of Agriculture,
10 including Commodity Credit Corporation, for carrying out
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12 for the value of any commodities furnished which are not
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14 expenses necessary in performing such functions.”

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A BILL

To amend the Act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

By Mr. HOPE

JULY 1, 1953

Referred to the Committee on Agriculture

other Senators who have been concerned about the situation in this area.

Obviously, there is little reason for the United States to devote large sums of money to give military assistance to the French in that area if there are not present in the area conditions under which native groups can be rallied to the support of the independence movement. At the present time, because of the extensive French controls, which I discussed yesterday, and which the Senator from Arizona has pointed out, those conditions are not present, and there is no indication that the native armies which the French have attempted to rally in that area are crusading armies. In fact, the majority of the population today appears to be in sympathy with the Communist movement of Ho Chi-minh. Therefore, I believe it is of vital importance that the United States place emphasis upon and use its prestige to advance the movement for independence for the people of the Associated States not only because such action will help the military operations in that area, but because it is most important, as the Senator from Arizona has pointed out, that in all of Asia the position of the United States be firmly understood.

The only objection I have to the amendment of the Senator from Arizona is that it is in the nature of an ultimatum to the French. There are substantial groups in France who would be pleased to pull out of a long and bloody war. After all, the French are bearing the military burdens. Our assistance is primarily economic. Therefore, feeling as they do, the amendment of the Senator from Arizona, if accepted, may be regarded by the French as an adequate excuse for withdrawing their effort. The amendment which I have offered as a substitute merely places us in the position of stating that the money should be used for the purposes set forth in the act, and also in such a way as to encourage aspirations of the Associated States for independence and to provide military training for the Vietnamese, which is most important.

I believe that my amendment would accomplish the objectives which the Senator from Arizona is seeking, and at the same time not run the risk which as the Senator from California so ably pointed out, we would run if we were to accept the amendment in the form in which the Senator from Arizona originally offered it.

Mr. DIRKSEN. Mr. President, I am in sympathy with the objective stated; but the recital is still on the soft and gentle side, which actually, in the administration and distribution of the supplies, would not mean a thing. I believe the Senate ought to go somewhat further than that. This is not only their program in that area, as I pointed out a moment ago; we are in it, and it is our program, too. I do not want to have the whole burden carried by the Republic of France. I want our country to assume its proper responsibility. In doing so, there must be an assertion from this country as well.

It occurs to me that the President at least ought to be urged, if not directed,

to enter into such negotiations or conversations as may be necessary which will look to fixing a target date. If there is a failure to establish a target date, and to make that kind of assurance, I believe we will fail in the endeavor, and I am not sure the expenditure would not be wasteful.

I wish to emphasize one point. I recognize the heroic contribution which the French have made. They have left some of the finest flowers of St. Cyr, Fontainebleau, and other military schools on the steaming soil of the jungles of Indochina.

The French fully recognize it. Former Premier Mayer failed by only 14 votes to become their latest Premier, and that happened in the face of preliminary assurances that he was in favor of pulling out of Indochina. I know the situation is delicate, but, at the same time, there is the residual fact we cannot escape, namely, that there will be a continuing stalemate, as every competent observer says, unless we devote some effort to it, and that effort must be more than rhetoric; it must be in the way of a realistic assurance.

Mr. KENNEDY. Mr. President, I wish to reply to the Senator from Illinois. I think it is obvious, as I have stated, that the conditions are not present within the Associated States for the French and the United States to secure the devoted support of the people of that area, because of the heavy degree of French control. The State Department has made pious declarations during the past 3 years, since the United States first began to give heavy assistance to that area, that it was in favor of independence for the Associated States; but it has been continually afraid that the French would pull out. The fact that one who attempted to become Premier of France, and who called for negotiations with Ho Chi-minh, failed by only 13 votes to become Premier shows the strength of the people of France who favor withdrawal from French Indochina.

If the Senate stated that we would not give any more assistance unless the French took such a major step, the effect might well be unfortunate.

It seems to me the amendment which I have offered, which is not so restrictive as the amendment offered by the Senator from Arizona, lessens the chance that such an unfortunate step might be taken; but at the same time it indicates that this Nation is behind the desires of the people of the Associated States to gain their independence.

Mr. DIRKSEN. Mr. President, I know it is a difficult and delicate situation. I recognize the force of the argument.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. FLANDERS. I should like to suggest to the Senator from Arizona that I am on record as being deeply concerned with the matter he has presented. I brought up the subject in the colloquy with the Senator from Iowa [Mr. GILLETTE] last evening, and I brought it up in a speech earlier this afternoon.

However, Mr. President, I share the doubts of the acting majority leader with regard to the wisdom of approaching it,

even though the verbiage is softened, in the way suggested by the junior Senator from Massachusetts.

I make, instead, another suggestion. This subject lies primarily within the jurisdiction of the President of the United States, and the Secretary of State. It would seem to me that for a long time past, they have not realized the seriousness of the situation and have not looked far enough ahead to see into what sort of trouble we were headed. It would seem to me to be highly appropriate for the Senate of the United States, by resolution, to call this situation to the attention of the President and the Secretary of State, and thereby indicate our strong interest indeed, more than our strong interest, our very strong feeling that these things will have to be done.

So I suggest to the Senator from Arizona that this proposal be put, instead, in the form of a resolution, which I shall gladly support personally. I cannot support the effort in the form of an amendment to the pending bill.

Mr. GOLDWATER. Mr. President, as I stated earlier, I recognize full well the dangers involved in such an amendment, but I feel that the subject has been discussed so thoroughly this afternoon that there can be no question in the minds of the people as to its intent.

Particularly during this anniversary week of our own independence it is important that we express again to the people of the world our inherent belief in the wonderful words of the Declaration of Independence in which we so firmly believe.

Mr. President, I accept the amendment offered by the Senator from Massachusetts [Mr. KENNEDY], and I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona, as modified.

EMERGENCY AGRICULTURAL LOANS

Mr. AIKEN. Mr. President, on behalf of the junior Senator from New Mexico [Mr. ANDERSON] and myself I ask unanimous consent to offer a bill for appropriate reference. I wish to explain the bill.

The PRESIDING OFFICER. Is there objection?

Mr. MAGNUSON. Mr. President, I wonder whether the Senator from Vermont would permit the Senate to vote on the pending amendment. After the amendment is disposed of he could have the floor. The Senate is ready to vote on the pending amendment, I believe.

Mr. AIKEN. With the understanding that there will be an immediate vote on the pending amendment and that I may have the floor after the vote is had—no; I have the floor, and I had better keep it.

The PRESIDING OFFICER. Objection is heard.

Mr. AIKEN. There seems to be too much talk in the offing for me to yield the floor at this time. I do not know when I would get it back.

The PRESIDING OFFICER. The Chair would remind the Senator that objection was made, and, therefore, he may not introduce the bill at this time.

Mr. AIKEN. Very well.

Mr. MAGNUSON. Mr. President, I did not object. If what I said was understood to be an objection, I withdraw the objection.

Mr. AIKEN. I may say to the Senator from Washington—

The PRESIDING OFFICER. The objection has been withdrawn, and the Senator from Vermont may proceed.

Mr. AIKEN. Mr. President, the bill which I am offering on behalf of the Senator from New Mexico [Mr. ANDERSON] and myself proposes to amend Public Law 38, 81st Congress, to give additional authority for helping farmers and stockmen in emergencies such as now exist in the disaster and flood areas.

The bill would provide supplemental sources of credit for farmers in disaster areas. It would facilitate the administration of programs for furnishing feed and seed to farmers in areas determined by the President to be disaster areas.

All loans and expenditures provided for in the bill would be made from the disaster-loan revolving fund established by Public Law 38, 81st Congress—approved April 6, 1949.

Public Law 38 dissolved the Regional Agricultural Credit Corporation and transferred the assets of the revolving fund—amounting to \$45.5 million—created by section 84 of the Farm Credit Act of 1933, as amended, to the new disaster loan revolving fund. An additional \$30 million was added to the fund by the Flood Rehabilitation Act, 1952, in October of 1951 to take care of additional needs arising out of the floods in Kansas, Missouri, and Oklahoma.

As of June 12, 1953, there was a balance of approximately \$17 million in this fund, with anticipated collections of \$36 million during the fiscal year 1954 which, if realized, would make approximately \$53 million available during the course of the year. Since much of the money is loaned out in the drought area already, it now seems unlikely that collections will be as good as estimated.

Loans for production disasters presently authorized under Public Law 38 have varied from about \$21 million to \$50 million each year since the establishment of the fund. The balance on hand in the fund would be enough to start the program provided for in the bill. The programs authorized in the bill, however, will very likely involve substantial funds. Therefore, immediate consideration will have to be given to requesting an addition to the revolving fund.

The following is a brief analysis of the bill:

1. Section 2 (b), economic disaster loans: This section would authorize loans to farmers and stockmen in areas determined by the President to be major disaster areas, if the Secretary found that an economic disaster, such as price declines, had also caused a need that recognized lenders, including Farmers' Home Administration, could not meet. The bill contemplates that the authority would be relied upon only for temporary periods. It could be used to meet

emergency situations in such areas where Farmers' Home Administration was out of money, until the matter could be brought to the attention of the Appropriations Committees of the Congress.

2. Section 2 (c), special livestock loans: This provision, which is largely self-explanatory, sets up a lending authority out of the old RACC revolving fund, substantially similar to the authority of the regional agricultural credit corporations, which have been liquidated. The administrative and procedural work of making and collecting the loans would be handled by Farmers' Home Administration. The approval of the loans, however, would be by committees designated by the Secretary for areas of 5 or 6 counties, meeting perhaps once each week, and loan servicing would be under the jurisdiction of those committees. Loans in excess of \$50,000 would have to be approved by the Secretary.

Under the bill a rancher or a stockman, in order to get a loan, would need to have a reasonable chance of working out of his difficulties with this supplementary financing, and if existing creditors were willing to cooperate. The borrower would give such security as he had available. Existing creditors would not be asked to subordinate their indebtedness, but would be expected to cooperate by giving standby agreements.

The authority for making these livestock loans would be limited to a period of 2 years.

3. Section 2 (d), emergency assistance in furnishing feed and seed: This section would enable the Department to continue to do substantially what it is now doing in the way of helping farmers get feed and seed in the disaster areas as determined by the President. The Department would not have to rely upon the President's emergency fund, however, for the money necessary to carry on the functions. It would use funds in the revolving fund for those purposes, and that fund would be under the jurisdiction of the Secretary of Agriculture.

It has been recognized for some time that the Department of Agriculture should have its own funds with which to carry on these functions for farmers when the President finds that assistance is required by an emergency.

4. The last section of the bill makes technical amendments to the existing provisions of Public Law 38, so as to make it possible to use the revolving fund for the purposes of these amendments. It also carries an authority for additional appropriations to be made to this fund in the regular way.

Mr. President, I ask unanimous consent that the bill, which is not long, be printed in the RECORD. I also ask unanimous consent that if other Senators wish to join in sponsoring the bill, they may do so. For that purpose, I ask that the bill lie at the desk for an hour, so that if there are other Senators who desire to be cosponsors in this effort to assist the administration in helping to maintain a prosperous agriculture in the United States, they may have an opportunity to do so. I make this request for the reason that several Members of the Senate have indicated a desire to join in sponsoring the bill, but I have not had an opportunity to see them this afternoon.

The PRESIDING OFFICER (Mr. BUSH in the chair). Without objection, it is so ordered.

There being no objection, the bill (S. 2267) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, introduced by Mr.

AIKEN (for himself, Mr. ANDERSON, Mr. YOUNG, Mr. LANGER, Mr. MUNDT, Mr. BARRETT, Mr. CASE, Mr. JOHNSON of Texas, Mr. CLEMENTS, Mr. STENNIS, Mr. MONRONEY, Mr. MCCLELLAN, Mr. KERR, Mr. JOHNSON of Colorado, Mr. MCCARRAN, Mr. MILLIKIN, Mr. THYE, Mr. DANIEL, Mr. SCHOEPEL, Mr. BENNETT, Mr. CARLSON, Mr. WELKER, Mr. GILLETTE, Mr. BRICKER, Mr. MALONE, Mr. TAFT, Mr. KUCHEL, Mr. GOLDWATER, Mr. WATKINS, Mr. DWORSHAK, Mr. COOPER, Mr. KNOWLAND, Mr. HENDRICKSON, Mr. HICKENLOOPER, Mr. JACKSON, Mr. EASTLAND, Mr. JOHNSTON of South Carolina, Mr. HOEY, Mr. HOLLAND, Mr. DOUGLAS, Mr. MANSFIELD, Mr. MORSE, Mr. HUNT, Mr. MURRAY, Mr. KEFAUVER, Mr. FULBRIGHT, Mr. GREEN, Mr. HILL, Mr. SPARKMAN, Mr. MAYBANK, Mr. HUMPHREY, Mr. BUTLER of Nebraska, and Mr. GRISWOLD), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 2 of the act of April 6, 1949 (63 Stat. 43, as amended), is hereby further amended by adding these new subsections as follows:

"ECONOMIC DISASTER LOANS

"SEC. 2. (b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to make loans to farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if he finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"SEC. 2. (c) For a period of 2 years from the effective date of this act loans for \$2,500 or more may be made to established ranchers or stockmen (including corporations or associations engaged in the business of financing cattle if they are owned and controlled by ranchers and stockmen engaged in the business of buying and selling cattle) who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of 3 years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 percent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local financing institutions, livestock operators, and persons having recognized knowledge of the livestock industry. The committee shall

perform such additional functions under this act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee, and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

"EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED"

"SEC. 2. (d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to furnish to established farmers, ranchers or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, but the Secretary may waive repayment in whole or in part if in his judgment circumstances so require. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and may reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for administrative expenses necessary in performing such functions."

AMENDMENTS TO EXISTING PROVISIONS

The last sentence of subsection 2 (a) is renumbered as subsection 2 (e) and a comma and the word "reimbursement" shall be inserted after the word "loans" in said subsection.

The letter (a) in the last clause of subsection 2 (b) is deleted, the subsection is renumbered as subsection 2 (f), and there shall be added at the end thereof the following new sentence: "There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine."

Mr. AIKEN. Mr. President, I ask unanimous consent that, if a meeting can be arranged, the Committee on Agriculture and Forestry be authorized to sit in hearing on this bill on Monday afternoon.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. LANGER. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. LANGER. Do I correctly understand that livestock loans are to be made for a period of only 2 years?

Mr. AIKEN. The loans may be made for a period of 2 years. They may be made, I believe, during the next 2 years, under the provisions of the bill.

Mr. LANGER. When will they be due? Will they be due in 2 years?

Mr. AIKEN. The loans to be made would be similar to the original Regional Agricultural Credit Corporation loans, I am sure. The usual time of such loans is 2 years, but if the need warrants it, I am sure that they can be renewed. The purpose of the bill is to give the livestock people such time as they may need to work their way out of their difficulties, if they appear to have a possible chance of doing so.

Mr. CASE. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. CASE. The purpose of the bill is also to relieve them of the necessity of having to liquidate bank loans, under such conditions; is that correct?

Mr. AIKEN. Yes, that is the main purpose, namely, to permit them to hold their young cattle, their unfinished cattle, and their foundation herds, and not to have to send them to market and take the very low prices which they are having to take today in the drought area.

Mr. CASE. And, conversely, where the equity on an existing loan is fairly well wiped out, to permit them to carry the loan until satisfactory banking conditions can be had; is that correct?

Mr. AIKEN. Yes. The banker will not be required to subordinate his loan to the Government loan, but he will be asked to stand by and wait until the owner of the cattle can recoup and find his way out of his difficulties.

Mr. CASE. I hope the Senator from Vermont will add my name to the bill, as a co-sponsor.

Mr. AIKEN. I shall place the bill at the desk and let Senators add their own names. I spoke to two or three Senators. I hope that all Senators who wish to add their names as cosponsors will do so.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. BARRETT. Is there to be any limitation on the amount that can be loaned by the new agency, as proposed?

Mr. AIKEN. The Department has been working on this bill steadily for about 3 days. I see no limitation on the amount of loan that can be made, except that loans of \$50,000 or more must be approved by the Secretary, as well as by the local committee.

Mr. MUNDT. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. MUNDT. I think I understood the Senator from Vermont to state, in his reading of the analysis of the bill, that economic disasters and acts of God will be added as justification for the making of the loans.

Mr. AIKEN. That is true.

Mr. MUNDT. So they will be made available anywhere in the country where sheepmen or cattlemen find themselves in serious economic straits. Is that correct?

Mr. AIKEN. Yes, where the economic straits are sufficiently serious to warrant the making of a declaration that the area is a disaster area.

Mr. MUNDT. That is correct—in other words, where they are sufficiently serious to justify the making of such a declaration; is that true?

Mr. AIKEN. That is right.

Mr. LANGER. Mr. President, I ask that my name be added to the bill, as cosponsor.

Mr. AIKEN. Mr. President, I yield the floor.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

Mr. HENDRICKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Jersey will state it.

Mr. HENDRICKSON. Do I correctly understand that the pending question is on agreeing to the amendment of the Senator from Arizona [Mr. GOLDWATER], as modified by the amendment of the Senator from Massachusetts [Mr. KENNEDY].

The PRESIDING OFFICER. That is correct.

Mr. HENDRICKSON. Mr. President, I wish to speak briefly on this question.

First, I wish to commend the able Senator from Arizona, and the able Senator from Massachusetts for the vision they have shown and the leadership they have furnished on this issue.

When this bill was before the Armed Services Committee, I was very much concerned about the possible effect and implication of section 304 if enacted. Indeed, I was so seriously disturbed that in the committee I moved to strike out the section. After further discussion, at the request and largely on the advice and counsel of the distinguished chairman of the Armed Services Committee [Mr. SALTONSTALL], I later withdrew my motion.

I am delighted this afternoon, as I have said, that such fine leadership has been afforded us, and that we now have before the Senate what I regard as a sound vehicle for the solution of what seemed to me to be a dangerous situation which might well have confronted not only the United States but also the entire free world, as a result of the language in section 304. As presently written as one member of the Armed Services Committee, I shall be very happy to support the amendment offered by the distinguished Senator from Arizona, as modified by the amendment of the Senator from Massachusetts.

While I am on my feet, Mr. President, I wish to commend all Senators who have so ably supported this amendment during the discussion this afternoon.

Mr. COOPER. Mr. President, I wish to associate myself with the position taken by the distinguished Senator from California, the acting majority leader [Mr. KNOWLAND] in his opposition to the pending amendment and with the distinguished Senator from Vermont [Mr. FLANDERS] in the suggestions he made a few minutes ago.

I speak not only in opposition to the amendment which was originally proposed by the distinguished Senator from Arizona [Mr. GOLDWATER], but also in opposition to the amendment as modified by the distinguished Senator from Massachusetts [Mr. KENNEDY]. I will state my reasons.

The amendments which have been proposed are moved by our tradition of freedom and independence. They are charged with our deepest sentiments and our profoundest hopes for the people of the Associated States of Indochina. I am sure that every Member of the Senate holds the hope that France will not have a decision forced upon her by circumstances and events in Indochina, but that France will make its decision, and

will give to those states the assurance of a day for their independence. I agree wholly with the statement made by the distinguished Senator from Illinois [Mr. DIRKSEN], that if such a decision were to be made, it would give incentive, it would give a cause for those who fight in those lands. Yet, I believe that the amendments, with their mandatory provisions, carry with them great danger not only to the eventual success of the objective of independence for those people, but also to our own cause and our own security. If the amendment which has been proposed by the Senator from Arizona should be adopted, in its original form, and if France then should not accept its ultimatum, and in consequence our aid should be withheld, we may contribute to the success of the Communist guerrillas, and we shall have denied forever, or for a long time, the very objective which is implicit in these amendments. If the people of these countries fall under Communist domination, the hope of freedom is gone.

It may be said that the amendment as modified removes this danger. I do not think so. From a careful reading of the amendment it will be noted that it says that aid shall be administered only in such a way "as to encourage through all available means" the freedom and independence desired by the peoples of the Associated States, including the military training of the Vietnamese. If these words mean anything, they mean that aid will be withheld unless it is used to secure or promote the freedom of the Associated States. I do not see how France could accept such a proposal, when implicitly it conveys the same ultimatum as that contained in the amendment proposed by the Senator from Arizona.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. COOPER. If I may finish, I shall be glad to yield to the Senator in a moment. I believe our first great objective in the Pacific and the Far East today is our own security, and we should take no step which would endanger that security. We are hoping very much that there will be a successful conclusion of the negotiations in Korea; and certainly one of the pressures which bears in our favor against the Chinese Communists, is the aid we give in Indochina. It would be folly to withdraw at this time one of the favorable pressures in our truce negotiations for the dearest hope we have today—the ending of the war in Korea.

The independence of the people of these areas is our hope. Yet, if we should adopt this amendment, and if it should become necessary, in order to adhere to its terms, to withdraw our aid, I repeat that in all probability we might be denying them the chance of their ever obtaining freedom.

I remember that after aid had been granted to the Nationalist Government in China, limitations were imposed upon that aid by the Government of the United States. Conditions were imposed upon the Nationalists and the aid was not given. Many have believed and many have charged that because of those

limitations and the consequent withholding of aid, China fell, and that we were placed in the position of grave danger in which we now find ourselves. Let us not do today the same thing for which we have condemned the administration of our friends upon the other side of the aisle.

Finally, we have many delicate connections with France in many places. They have forces and their sons in Korea. We are in a vital and delicate situation with France in connection with the European Defense Community. These connections affect our security and that of the free countries of the world.

In closing, I say again, that all of us agree that the countries in question should attain independence, but if we want our views and sentiments known let us act in the way proposed by the distinguished Senator from Vermont [Mr. FLANDERS]; namely, by a resolution expressing the sense of the Senate, in a way that will not defeat the very aims we seek.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. KENNEDY. The Senator from Kentucky has stated that my amendment would withhold money unless certain conditions were met by the French. That is incorrect. The words are:

Provided, That the expenditure and distribution of the funds, equipment, materials, and services authorized under this or any other section of this act on behalf of the Associated States of Cambodia, Laos, and Viet-Nam, to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this act, shall be administered in such a way as to encourage through all available means the freedom and independence desired by the peoples of the Associated States, including the intensification of the military training of the Vietnamese.

That reflects an entirely different spirit than to say that if France does not give these States their freedom, the aid will be withheld.

The second point I wish to make, in answer to the statement of the distinguished Senator is this: The United States has put its prestige directly behind the French in this struggle. Moreover, it has devoted large sums of money in rendering assistance; yet, the Senator knows, as I know, that the conditions are not now present in French Indochina that would permit a victory for the French forces. Indeed, indications are against such a victory, regardless of the steady increase in United States assistance since 1950. Continuation of an obviously fruitless campaign will certainly be more likely to result in the French withdrawing. The amendment which I have suggested will stimulate local self-government in those countries, thereby stimulating the support of the native population for the war effort, support which is not now there. It seems to me that the prospects of total success and of the French remaining will be enhanced by such conditions of popular support being established in French Indochina, rather than by the United States doing nothing while the French continue to dominate those areas. It is the latter

which could bring negotiations which might be disastrous by causing the French to pull out completely.

Mr. COOPER. I agree entirely with the Senator's objectives. All I have said is that I do not believe this is a proper method of attaining them. I think our influence can be directed in better ways.

Mr. FERGUSON. Mr. President, I desire to say a few words regarding the amendment now pending. This is not the time for the consideration of such an amendment. I think it would be a mistake for the Senate to adopt this amendment because of the effect it would have on our foreign relations. France has just formed a new government. France's new government has had very little time to act. I believe that a proposal so important as the one suggested by the Senator from Arizona [Mr. GOLDWATER], which has been modified by the acceptance as a substitute of the amendment offered by the Senator from Massachusetts [Mr. KENNEDY], should be discussed by this Nation on a very high policy level.

The President of the United States, who is familiar with all of the facts and circumstances, is the one to conduct this kind of negotiation with a country which at the present time is at war in Indochina. I am not unmindful that the question of independence plays a great part in the conflict in Indochina.

I conferred at one time, while in Saigon, with the cabinet of Indochina and I know the feeling it has in relation to the question of independence. I was told there were thousands of persons fighting on the Communist side who were patriotic as are those upon the French side.

Mr. President, I feel that it is not advisable to adopt the amendment at this time. The new Government of France must know how America feels with reference to independence. As the 4th of July anniversary of our own independence is approaching, we all appreciate and fully realize what independence means to other peoples. It is very vital to these people of the Associated States.

We are furnishing supplies to Indochina, which is engaged in a war against communism, and all it stands for. In my judgment, we in the Congress should not attempt to legislate upon this particular subject which involves foreign relations. We know that our relations with other allies in the free world are strained at the present time because of what is going on in Korea. Do we want now to accentuate these strained relations between the United States and her foreign allies by an act of Congress? Would it not be better to let the President know how we, as Members of the Senate, feel personally about the subject?

I hope the Senate will not adopt the amendment, even though we are in sympathy with the independence of the people of Indochina.

Mr. HENDRICKSON. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. HENDRICKSON. Do I understand from the remarks made by the Senator from Michigan, that he objects

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 7, 1953
For actions of July 6, 1953
83rd-1st, No. 123

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HIGHLIGHTS:

Senate passed bills to continue Mexican farm-labor program, extend forest survey to Alaska, continue crop-insurance expansion, and authorize additional animal-disease control. Sen. Johnson, Tex., urged use of Sec. 32 funds for drought relief. House committee voted to report drought-relief bill. Sen. Schoepfel favored Government livestock purchases for drought relief.

SENATE

1. FARM LABOR. Passed as reported H. R. 3480, to continue the Mexican farm labor program. The Senate version provides for a 1-year extension, whereas the House version provides for a 3-year extension. (pp. 8227-8.)
2. FORESTRY. Passed as reported S. 725, to amend the McNary-McSweeney Forest Research Act so as to make it clear that the comprehensive forest survey provided for in that Act may be extended to the U. S. territories and possessions (pp. 8241-2).
Passed as reported S. 894, to convey a tract of national forest land at Basalt, Colo., to Alfred H. Sloss (p. 8242).
3. CROP INSURANCE. Passed as reported S. 1367, to extend for 2 years the authority of FCIC to expand the crop-insurance program into additional counties (p. 8242).
4. ANIMAL DISEASES. Passed without amendment S. 2055, to authorize the Department to control and eradicate scrapie and blue tongue in sheep, and also incipient or potentially serious minor outbreaks of diseases of animals, without the necessity of declaring an emergency which must be based on a threat to the livestock industry (pp. 8242-3).
5. DISASTER RELIEF. Passed as reported S. 2199, to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government (p. 8243).
Sen. Johnson, Tex., recommended use of \$118,000,000 of Sec. 32 funds for drought relief (pp. 8252-8).

6. OLEOMARGARINE. Discussed and, at the request of Sen. Case, passed over S. 1806, to permit the Navy to serve oleomargarine (p. 8232).
7. LAND TRANSFER. Discussed and, at the request of Sen. Smathers, passed over S. 1400, to permit release of the reversionary rights to a rural-rehabilitation land tract in Wake County, N. C., and S. 2163, to authorize conveyance of the U. S. cotton field station near Statesville, N. C., to that State (p. 8243).
8. FARM LOANS. At the request of Sen. Gore, passed over S. 1276, to increase the interest rate on farm-tenant loans (p. 8243).
9. PROPERTY ACQUISITION. Received a Colo. Legislature resolution favoring limits on Government acquisition of private property (p. 8223).

HOUSE

10. DROUGHT RELIEF. The Agriculture Committee ordered reported (but did not actually report) with amendments H. R. 6054, to provide emergency aid to farmers and stockmen in the drought areas (p. D659).
11. EDUCATION. The Education and Labor Committee reported (July 3) without amendment H. R. 6049, to provide school-construction assistance in federally affected areas (H. Rept. 702), and H. R. 6078, to extend and improve the act providing aid to federally affected local educational agencies (H. Rept. 703)(p. 8281).
12. FOOD INSPECTION. The Interstate and Foreign Commerce Committee reported without amendment H. R. 5740, to permit factory, warehouse, etc., inspection by the Food and Drug Administration after first giving written notice to the owner (H. Rept. 708)(p. 8281).
13. GRAZING LANDS. Rep. Hetcalf spoke in favor of his bill, H. R. 6081, to amend the Taylor Grazing Act so as to provide for more representative district advisory boards, authorize a multiple-use program, etc. (pp. 8275-6).
14. ELECTRIFICATION. An Interior and Insular Affairs subcommittee approved for reporting to the full Committee H. R. 3598, to consolidate the Parker Dam power project and the Davis Dam project (p. D659).
15. PRICE DISCRIMINATION. Received a National Association of Retail Grocers petition urging support of S. 1357, to strengthen the Robinson-Patman Act (p. 8281).

BILLS INTRODUCED

16. CONSUMER INTERESTS. S. Res. 123-134, by Sen. Gillette, to direct various standing committees to investigate and study matters affecting consumer interests; to the various committees affected (pp. 8224-6).

ITEMS IN APPENDIX

17. DROUGHT RELIEF. Extension of remarks of Sen. Schoeppel favoring Government purchases of livestock to aid drought-stricken farmers and cattlemen, including a newspaper article showing the farm outlook in the drought areas (pp. A4334-5).
Rep. Price inserted three newspaper articles discussing the drought and claiming that the cattlemen who only recently wanted nothing from the Government except to be let alone now welcome drought aid (pp. A4309-10, 4311, 4314-5).

House of Representatives

Chamber Action

Bills Introduced: 9 public bills, H. R. 6098-6106; 3 private bills, H. R. 6107-6109; and 2 resolutions, H. Con. Res. 130 and H. Res. 316, were introduced. Page 8281

Bills Reported: Reports were filed as follows:

H. R. 6049, school construction assistance in federally affected areas; filed on July 3 (H. Rept. 702);

H. R. 6078, operating expenses of school districts affected by Federal activities; filed on July 3 (H. Rept. 703);

H. R. 5691, educational activities of Federal agencies; filed on July 3 (H. Rept. 704);

S. 1981, to continue for 6 months after termination of national emergency certain provisions relating to military traffic (H. Rept. 705);

H. R. 5016, to identify the drug known as aureomycin by its chemical name, chlortetracycline (H. Rept. 706);

H. Res. 316, providing for 1 hour of debate on, the waiving of points of order against, and limiting the submission of amendments to, H. R. 5173, to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a \$200 million reserve in the Federal unemployment account which shall be available for advances to the States, to provide that the remainder of such excess shall be returned to the States (H. Rept. 707); and

H. R. 5740, to permit factory, warehouse, etc., inspection in the enforcement of the Federal Food, Drug, and Cosmetic Act after first giving written notice to the owner, operator, etc., thereof (H. Rept. 708). Page 8281

Historical Publications: Representative St. George was today appointed by the Speaker to serve on the National Historical Publications Commission. Page 8280

Program for Tuesday: Adjourned at 12:25 p. m. until Tuesday, July 7, at 12 o'clock noon, when the House will call the Consent and Private Calendars and may act on bills under a suspension of the rules; also will consider H. R. 5407, to extend from 8 to 12 years the bonding period of distilled spirits; and H. R. 5173, Employment Security Administrative and Financing Act of 1953.

Committee Meetings

DROUGHT RELIEF

Committee on Agriculture: Ordered reported to the House, with amendments, H. R. 6054, a bill designed to aid farmers and cattlemen in disaster areas with emergency loans, and to make feed and seed supplies more readily available. The bill was drafted by the Department of Agriculture after several days of confer-

ences with stockmen and agricultural officials from the drought area, and after a personal inspection tour by Secretary of Agriculture Benson. At hearings today, Mr. Benson reviewed this visit to the drought area as well as the conferences he attended with the stockmen's advisory committee last week. Following the Secretary, Robert L. Farrington, Director of the Agricultural Credit Service, explained the measure under discussion and analyzed the objectives of other similar bills pending on the subject of drought relief. Representative Lyle, of Texas, presented John Murphy, of Brooks County, and Kenneth E. Jackson, of Kleberg County, who presented eye-witness accounts of the impact on Texas grazing lands, and the need of emergency relief.

COTTON ACREAGE ALLOTMENTS

Committee on Agriculture: Continued (last Friday) the public hearings on H. R. 5655, to amend the Agricultural Adjustment Act relative to national apportionment for cotton acreage allotment for 1954. Frank Woolley, representing the American Farm Bureau Association, who testified last Wednesday, resumed his testimony. Witnesses told the committee at last week's sessions that severe cuts in acreage would work a tremendous hardship on cotton growers of California, as well as have a serious impact on the economy of the State. The committee also heard Representative Hagen of California, who explained the purposes of a bill he has introduced on the subject. Recessed until Tuesday, July 14.

RESERVE OFFICERS' PROMOTION

Committee on Armed Services: Johnson Subcommittee No. 3 met last Friday and resumed today on its section-by-section reading of H. R. 1222, regarding annual determination in advance of the number of Reserve officers in active status needed for planned mobilization requirements. Recessed until next Thursday morning.

IRRIGATION AND RECLAMATION

Committee on Interior and Insular Affairs: The Harrison subcommittee (last Friday) approved for reporting to the full committee H. R. 3598, to consolidate the Parker Dam power project and the Davis Dam project. Harry McPhail, Assistant Commissioner, Bureau of Reclamation, testified on the bill.

Also considered, but took no action on, H. R. 4788, to facilitate the development of small reclamation projects; and H. R. 5510, 4903, and 5301, to amend and supplement the reclamation laws to provide for Federal cooperation in non-Federal projects. Testifying on H. R. 5510, etc., Eugene D. Eaton, Director of Operations and Maintenance, Bureau of Reclamation; and William E. Welsh, secretary-manager, National Reclamation Association. Adjourned subject to call of the Chair.

GASOLINE AND OIL PRICE INCREASES

Committee on Interstate and Foreign Commerce: Resumed public hearings in connection with its investigation of the recent price increases in crude oil and its products. Officials of major companies presented their views regarding the cost increases, etc., in prices of gasoline and oil, during morning and afternoon sessions today. Those testifying were W. W. Keeler, vice president of Phillips Petroleum Co., Bartlesville, Okla.; and T. S. Peterson, president, Standard Oil of California, San Francisco, Calif. Recessed until tomorrow morning.

CHEMICAL ADDITIVES

Committee on Interstate and Foreign Commerce: Subcommittee No. 2 postponed hearings scheduled for July 14 through July 17 on the following bills to amend the Food and Drug Act—H. R. 2244, regarding chemicals in cosmetics; H. R. 2245 and 4901, regarding chemical additives; and H. R. 2739, regarding misbranded foods. The hearings set up for July 14 on H. R. 4277, regarding

pesticides; and H. R. 5055, regarding food standards, are expected to be conducted as scheduled.

Joint Committee Meetings

ATOMIC POWER DEVELOPMENT

Joint Committee on Atomic Energy: Committee continued its hearings on the problem of development of atomic power by private industry, with testimony from the following witnesses: Walter H. Zinn, Director, Argonne National Laboratory to the Joint Committee on Atomic Energy; John R. Menke, president, Nuclear Development Associates, Inc., White Plains, N. Y.; Dr. Chauncey Starr, director, Atomic Energy Research Department, North American Aviation, Inc.; Alvin M. Weinberg, Oak Ridge National Laboratory; and Karl Cohen, vice president, Walter Kidde Nuclear Laboratories, Inc. All of the witnesses testified in favor of the development of atomic power by private enterprise, and set forth various reasons and methods for such development. Hearings continue July 9.

COMMITTEE MEETINGS FOR TUESDAY,
JULY 7

(All meetings are open unless otherwise designated)

Senate

Committee on Agriculture and Forestry, executive, on S. 2267, emergency loans to farmers and stockmen, 10 a. m., 324 Senate Office Building.

Committee on Government Operations, Permanent Subcommittee on Investigations, on overseas information centers, 10:30 a. m., 318 Senate Office Building.

Committee on Interior and Insular Affairs, executive, on H. R. 2824, production of tungsten ores, 10 a. m.; Subcommittee on Minerals and Fuels, on S. 1397, development of fissionable source minerals, 10:30 a. m.; full committee, on Hawaii statehood, 2 p. m.; Irrigation and Reclamation Subcommittee on calendar bills, 3 p. m., all in 224 Senate Office Building.

Committee on Interstate and Foreign Commerce, on nomination of Owen Clarke to be ICC Commissioner, to be followed by an executive meeting, 10 a. m., room G-16, Capitol.

Committee on the Judiciary, subcommittee, on miscellaneous nominations of U. S. attorneys and marshals, 10 a. m., 424 Senate Office Building.

Committee on Post Office and Civil Service, on nominations of the following to be members of the Advisory Board for the Post Office Department: Mrs. Consuelo Northrop Bailey, of Vermont; Richard Berlin, of New York; John Coleman, of Michigan; Richard J. Gray, of Ohio; Roland Jones, Jr., of South Dakota; Curtis McGraw, of New Jersey; and Charles White, of Ohio; followed by executive session, 10:30 a. m., 135 Senate Office Building.

House

Committee on Agriculture, Subcommittee No. 3 on H. R. 2458, 3097, 3107, and 4017, land transfer bills, 10 a. m., 1310 New House Office Building.

Special Dairy Subcommittee to hear Prof. Roland W. Bartlett, Illinois University, present material dealing with dairy marketing and research, 10 a. m., 1310 New House Office Building.

Committee on Armed Services, full committee on subject of involuntary recall of Army Reserve officers, 10 a. m., 313-A Old House Office Building.

Committee on Government Operations, Brownson Subcommittee on International Relations, to study the Technical Cooperation Administration regarding education and travel, 10:15 a. m., 1501 New House Office Building.

Committee on Interior and Insular Affairs, regular meeting of full committee, 9:30 a. m., 1324 New House Office Building.

Committee on Interstate and Foreign Commerce, Subcommittee No. 2 on H. R. 4201 and S. 2033, on the importing of trout, 10 a. m., 414 Old House Office Building.

Subcommittee No. 1 on H. R. 5473, Burke Airport (Va.) bill, 10 a. m., 1301 New House Office Building.

Public hearings in connection with recent price increases of crude oil and its products, 10 a. m., 1334 New House Office Building.

Committee on the Judiciary, regular meeting day, 10 a. m., 346 Old House Office Building.

Committee on Post Office and Civil Service, Gross subcommittee on H. R. 2308 and 2754, to amend sections 7 and 3, respectively, of the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans, 10 a. m., 213 Old House Office Building.

Harden subcommittee on H. R. 1935 and 5379, to authorize the printing and mailing of periodical publications of certain societies and institutions at places other than places fixed as the office of publication, 11 a. m., 213 Old House Office Building.

Committee on Rules, to consider rules on H. R. 4351, regarding Niagara power development; H. R. 6049, school facilities in areas affected by Federal activities; and H. R. 6078, to amend act relating to expenses of school districts, 10 a. m., G-12 U. S. Capitol.

Joint Committee

Conferees, executive, on H. R. 5710, mutual security, 10 a. m., room F-53, Capitol.

SENATE

12. DROUGHT RELIEF. The Agriculture and Forestry Committee ordered reported (but did not actually report) with amendments S. 2267, to provide emergency aid to farmers and stockmen in the drought areas. The "Daily Digest" states, "The principal amendment approved would strike out emergency assistance in furnishing feed and seed, as provided in the bill, on the basis that such assistance may be given under Public Law 875 of the 81st Congress" (p. D662).
13. WHEAT MARKETING QUOTAS. An Agriculture and Forestry Subcommittee ordered reported to the full committee S. 2099, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938 (p. D662).
14. FOREIGN AID. Senator Humphrey urged the conferees on the foreign aid bill to find "a means of utilizing the surplus agricultural commodities and the abundance of American farm production," and inserted a Washington Evening Star editorial on this subject (pp. 8406-8).
15. COMMITTEE ASSIGNMENTS. Sen. Johnson, Tex., was excused from further service as a member of the Government Operations Committee; and Sen. McClellan was assigned to the Judiciary Committee "to fill an existing vacancy thereon". (p. 8340).
16. TREATIES. Received a certified copy of an International Convention To Facilitate Importation of Commercial Samples and Advertising Material, and the State Department Secretary's report thereon (Exec. Q. 83rd Cong.); to Foreign Relations Committee (p. 8408).
17. TRANSPORTATION. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) without amendment S. 281, to extend power to the ICC to authorize discontinuance of certain intrastate railroad services; and with amendments S. 539, to authorize the ICC to make mandatory the installation of certain railroad communications systems, and H. R. 2236, to establish a Commission on Area Problems of the Greater Washington Metropolitan Area (p. D663).
18. FOREIGN TRADE. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) an original concurrent resolution, in lieu of S. 1962, expressing the sense of Congress that export containers be marked with the words "United States of America" (p. D663).
19. ELECTRIFICATION. Received resolutions from the American Public Power Ass'n. and the Ore. State Federation of Labor favoring redevelopment of Niagara Falls power by "appropriate public agencies"; and construction of the Hells Canyon dam, respectively (pp. 8341, 8342).
20. NATURAL RESOURCES; FORESTRY. Received Ore. State Federation of Labor resolutions commending "Sen. Morse and his colleagues in their efforts to safeguard and develop our natural resources...for all the people..."; and favoring a deduction of \$200 yearly for income tax purposes for fire fighters for dual food expenses while fighting fires (p. 8342).
State
21. PERSONNEL. Received Ore. Federation of Labor resolutions opposing legislative riders to appropriation bills which injure the rights and privileges of Federal employees; favoring a salary increase for Federal employees; urging Congress

to support the program of the A. F. of L. Government Employees' Council in Washington, D. C.; and opposing annual-leave legislation detrimental to Federal workers (pp. 8342, 8343).

22. HOLIDAY. Received an Ore. State Federation of Labor resolution favoring S. 805 making the first Tues. after the first Mon. in Nov. in every even-numbered year a legal holiday (pp. 8342-3).

23. APPROPRIATIONS. Passed with amendments H. R. 5246, the Labor-HHW appropriation bill for 1954 (pp. 8355-404). Sens. Thye, Knowland, Bridges, Young, Chavez, Russell, and Hill were appointed as conferees (p. 8404).

Agreed to the following amendments:

By the committee, all its amendments (some with amendments as indicated below) (pp. 8355-7).

By Sen. Morse, to a committee amendment, increasing by \$200,000 funds for the Food and Drug Administration (p. 8369).

By Sen. Thye, increasing by \$426,000 funds for the Office of Education (pp. 8369-70).

By Sen. Aiken, increasing by \$170,000 funds for the Mexican farm-labor program (pp. 8395-7).

By Sen. Potter, increasing by \$1,150,000 funds for Office of Vocational Rehabilitation (pp. 8374-7).

By Sen. Hayden, to a committee amendment, increasing by \$210,000 funds for the Bureau of Employment Security (pp. 8359-60).

24. CONSUMER INTERESTS. Sen. Gillette inserted his statement explaining seven resolutions he introduced recently, S. Res. 128 through 134, which would provide for investigations by 7 different standing committees of the effect of major legislation upon ultimate consumer interests (pp. 8351-2).

25. PERSONNEL ALLOWANCES. Sec. 640 of H. R. 5969, the defense appropriation bill for 1954, provides as follows: "No part of the funds appropriated in this or any other Act shall be available for the payment to any United States citizen resident in one of its Territories or possessions, of any station, subsistence, quarters, or other foreign duty allowances over and above the authorized pay and allowances for comparable grade or rating in the continental United States unless such person is serving outside the Territory or possession in which he is resident."

BILLS INTRODUCED

26. WATER CONSERVATION. H. R. 6112, by Rep. Curtis, Neb., to facilitate the development and construction of water conservation facilities by States and municipalities; to Interstate and Foreign Commerce Committee (p. 8338).

27. DISASTER RELIEF. H. R. 6129, by Rep. Philbin, creating a Government-owned corporation to insure against certain disasters; to Banking and Currency Committee (p. 8339).

H. R. 6139, by Rep. McCormack, to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government; to Public Works Committee (p. 8339).

28. GRAIN STORAGE. H. R. 6137, by Rep. Martin, Ia., and H. R. 6138, by Rep. Curtis, Neb., to provide tax incentive for the creation of additional grain storage facilities; to Ways and Means Committee (p. 8339).

Daily Digest

HIGHLIGHTS

Senate passed Labor-Health, Education, and Welfare appropriations, and bill loaning vessels to Italy and France.

House passed 97 miscellaneous measures.

Senate Committees on Agriculture, Interstate Commerce, and Post Office and Civil Service voted to report bill on drought relief, and numerous miscellaneous measures and nominations.

Bills providing school facility and construction assistance cleared for House debate by Rules Committee.

Senate

Chamber Action

Routine Proceedings, pages 8341-8355

Bills Introduced: 20 bills and 2 resolutions were introduced, as follows: S. 2297 to S. 2316; and S. Res. 135 and 136.

Pages 8344, 8350

Bills Reported: Reports were made as follows:

S. 2314, to prevent transmission of certain gambling information in interstate commerce by communications facilities (S. Rept. 500); and

S. Res. 135, providing an additional \$150,000 to continue investigations now being made by Committee on Interstate and Foreign Commerce (interstate crime, merchant marine subsidy program, and other matters) and extending authority therefor through July 1, 1954 (no written report)—referred to Committee on Rules and Administration.

Page 8344

Committee Assignments: Senator Hoey was excused from further service on Committee on Government Operations, and Senator McClellan was assigned to Committee on the Judiciary.

Page 8340

Labor-HEW Appropriations: Senate passed with amendments H. R. 5246, Labor-Health, Education, and Welfare appropriations for 1954, after taking the following actions on amendments:

Adopted: All committee amendments (some with amendments as indicated below); Hayden amendment (to committee amendment) increasing by \$210,000 funds for Bureau of Employment Security; Morse amendment (to committee amendment) increasing by \$200,000 funds for Food and Drug Administration; Smith (New Jersey) amendment increasing by \$198,000 funds for Office of Secretary, Department of Labor; Cooper amendment increasing by \$250,000 funds for

Office of Solicitor, Department of Labor; Thye amendment (on behalf of committee) providing that land lying within Boulder Canyon project reservation shall be considered Federal property for school purposes; Humphrey amendment to increase funds for Bureau of Labor Standards by \$150,000; Aiken amendment (to committee amendment) increasing by \$100,000 funds for salaries and expenses, Children's Bureau; Smith (New Jersey) amendment increasing by \$250,000 funds for NLRB; Bush amendment earmarking \$5 million rather than \$10 million of funds for unemployment compensation grants to States for meeting increased costs resulting from State law changes; Thye amendment increasing by \$426,000 funds for salaries and expenses, Office of Education; Thye amendment increasing by \$151,000 funds for salaries and expenses, Office of the Secretary, Department of Health, Education, and Welfare; on division vote, Malone amendment increasing by \$119,000 funds for Veterans Employment Service; Potter amendment increasing by \$1,150,000 funds for Office of Vocational Rehabilitation; by 43 yeas to 41 nays, Hill amendment (to committee amendment), increasing by \$15 million funds for hospital construction, PHS (motion to reconsider this vote was tabled); on division vote, Aiken amendment increasing by \$170,000 funds for salaries and expenses, Mexican farm labor program; by 39 yeas to 38 nays, Langer amendment increasing by \$1,300,000 funds for grants-in-aid for TB control, PHS; modified Gore amendment increasing by \$1 million funds for hospitals and medical care, PHS; and several Thye amendments of a technical, clarifying nature; and

Rejected: On division vote, Murray amendment increasing by \$500,000 funds for NLRB; on division vote, Douglas amendment (to committee amendment) increasing by \$750,000 funds for salaries and expenses,

Wage and Hour Division; on division vote, Payne amendment (to committee amendment) increasing by \$500,000 funds for salaries and expenses, Wage and Hour Division.

Senate requested conference on the bill and appointed as conferees Senators Thye, Knowland, Bridges, Young, Chavez, Russell, and Hill. Pages 8355-8404

Drought Relief: Authority was granted to Committee on Agriculture and Forestry to report, following recess of Senate today, S. 2267, to provide for additional emergency assistance to farmers and stockmen. Page 8404

Vessels to Italy and France: Senate passed without amendment S. 2277, authorizing loan of two submarines to Italy, and an aircraft carrier to France. Pages 8404-8405

Canal Zone Employees: Senate made its unfinished business S. 2038, authorizing cash relief for certain employees of the Canal Zone Government. Pages 8405-8406

Treaty Received: International Convention To Facilitate Importation of Commercial Samples and Advertising Material, dated at Geneva November 7, 1952, was received (Exec. Q, 83d Cong., 1st sess.)—referred to Committee on Foreign Relations. Page 8408

Nominations: The nominations of Eldon C. Upton, Jr., of Louisiana, to be a member of the Federal Maritime Board, and of Guy Farmer, of D. C., to be a member of the NLRB, were received, along with 14 Navy nominations. Page 8408

Program for Wednesday: Senate recessed at 7:26 p. m. until noon Wednesday, July 8, when it will consider S. 2038, relief for certain employees of the Canal Zone, to be followed by S. Res. 115, increasing to \$50,000 limit of expenditures for Select Committee on Small Business, S. 16, immunity of congressional witnesses, S. 1396, broadcasting of baseball games, and S. 2239, to amend Atomic Energy Act relative to long-term electric-utility contracts. S. 2267, emergency assistance to farmers and stockmen, will be considered when it is reported.

Committee Meetings

(Committees not listed did not meet)

AGRICULTURAL LOANS

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported with amendments S. 2267, to provide for additional emergency assistance to farmers and stockmen. The principal amendment approved would strike out emergency assistance in furnishing feed and seed, as provided in the bill, on the basis that such assistance may be given under Public Law 875 of the 81st Congress.

WHEAT

Committee on Agriculture and Forestry: Subcommittee met in executive session for consideration of S. 2099, to amend the wheat marketing quota provisions of the

Agricultural Adjustment Act of 1938, and ordered the bill favorably reported to the full committee. Full committee will meet tomorrow for executive consideration of this bill.

APPROPRIATIONS—DEFENSE DEPARTMENT

Committee on Appropriations: Subcommittee resumed its hearings on H. R. 5969, Defense appropriations for 1954, with testimony from the following representatives of the Defense Department in favor of restoration of funds cut from the House bill:

Adm. William M. Fechteler, Chief of Naval Operations; Vice Adm. James L. Holloway, Chief of Naval Personnel; Gen. Lemuel C. Shepherd, Jr., Commandant, U. S. Marine Corps; and Rear Adm. Edward A. Solomons, Deputy Comptroller, Navy;

Lyle S. Garlock, Deputy Comptroller of the Budget, Defense Department; and

H. L. Pearson, Deputy Under Secretary of the Army, and Maj. Gen. Francis W. Farrell, Deputy Assistant Chief of Staff, G-3, Army.

Hearings continue tomorrow.

INVESTIGATIONS—OVERSEAS INFORMATION CENTERS

Committee on Government Operations: Permanent Subcommittee on Investigations continued its investigations on overseas information centers, and had as its witness Arnaud d'Usseau, a New York playwright, who refused to say whether he is a Communist or was a Communist when he wrote *Deep Are the Roots*, and Mrs. Paul Robeson, of New York, who stated that she is a loyal American, but refused, on grounds of possible self-incrimination, to say whether she is or ever was a Communist. Hearings continue July 9.

HAWAII STATEHOOD

Committee on Interior and Insular Affairs: Committee continued its hearings on S. 49, to grant statehood to Hawaii, with testimony in opposition to the bill from Representative Smith of Virginia. Also testifying was Richard English, a writer from Beverly Hills, Calif., whose testimony was with regard to communism in the Territory. Hearings continue July 9.

TUNGSTEN ORES

Committee on Interior and Insular Affairs: Committee met in executive session for the consideration of H. R. 2824, to encourage the discovery, development, and production of tungsten ores and concentrates, and referred the bill to its Subcommittee on Minerals and Fuels for further consideration.

MINING CLAIMS

Committee on Interior and Insular Affairs: Subcommittee on Minerals and Fuels held hearings on S. 1397, to clarify the status of mining claims in area held under an oil and gas prospecting permit or lease, and to encourage the exploration and development of fissionable

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 8, 1953
For actions of July 7, 1953
83rd-1st, No. 124

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HIGHLIGHTS: House committee reported drought-relief bill, and Rep. Hill commended it. House passed bill and discussed bill to modify mining laws regarding national forests. House sent trade-agreements bill to conference. Senate committee ordered reported drought-relief bill. Senate subcommittee voted to report wheat-quota bill. Senate passed Labor-HEW appropriation bill. Sen. Humphrey urged use of surplus food for foreign aid. Sen. Griswold introduced and discussed bill to stabilize cattle industry.

HOUSE

1. DROUGHT RELIEF. The Agriculture Committee reported with amendment H. R. 6054, to authorize emergency loans and supplies for drought relief (H. Rept. 714)(p. 8338). Rep. Hill spoke in support of the bill and reviewed the actions of the Committee and the Department to provide relief (pp. 8327-8).
2. FORESTRY. Discussed and, on objection of Rep. Hope, passed over H. R. 4983, to amend the mining laws regarding public lands. Rep. Miller, Nebr., said H. R. 5358, the Hope bill, should be pending before the Interior and Insular Affairs Committee instead of the Agriculture Committee. Rep. Price urged adequate legislation to protect against abuses under the mining laws. (pp. 8286-7.)
Passed without amendment H. R. 3956, to authorize sale of a forest tract in N. Mex. to Ed Clements (p. 8307).
The Interior and Insular Affairs Committee ordered reported (but did not actually report) H. R. 2921, to provide for management of certain reclamation-project lands in S. Dak. as national-forest land (p. D666).
Passed with amendments H. R. 334, to amend the Materials Act so as to prohibit location and patenting of mining claims under the U. S. mining laws, where such locations are based upon discovery of deposits of sand, stone, gravel, and cinders; and to provide that such deposits, when situated on public lands, can be acquired only under the Materials Act (p. 8297).

3. LAND TRANSFERS. The Agriculture Subcommittee 3 approved the following bills for reporting to the full Committee: H. R. 2458, to transfer a Forest Service tract at Cherry Point, N. C., to the Navy Department; H. R. 3097, to transfer a grape research station to the University of Calif.; H. R. 4017, to convey a rural-rehabilitation tract to an Ark. school district; and H. R. 5888, to transfer a cotton field station to N. C. (p. D666).

The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 1797, to convey certain lands to the Okla. A&M College (p. D666).

4. TRADE AGREEMENTS. Reps. Reed of N. Y., Jenkins, Simpson of Pa., Cooper, and Dingell were appointed conferees on H. R. 5495, the trade agreements bill (p. 8299). Senate conferees were appointed July 2.

5. TRANSPORTATION. Passed as reported H. R. 3792, to authorize ICC to revoke, amend, or suspend water carrier certificates and permits under certain conditions (p. 8299).

6. PERSONNEL. Passed without amendment S. 1684 (in lieu of H. R. 5706), to facilitate civil-service appointments of persons who lost opportunity therefor because of military service after June 30, 1950, with benefits comparable to those granted World War II veterans (p. 8292). This bill will now be sent to the President.

The "Daily Digest" states: "The Gross subcommittee today considered two bills...H. R. 2754 and H. R. 2308, ...dealing with modifications of the Veterans' Preference Act -- and recommended the legislation favorably. The subcommittee is having drafted language which will combine the principle of both bills into one measure. This legislation in its final form will provide that veterans must make a passing grade before being placed on a civil-service register and, secondly, that before veterans are entitled to the special preference of 10 points and going to the top of a register they must have a compensable disability (10 percent at the present time). These changes will not affect veterans who are already on established civil-service registers." (p. D667.)

Passed without amendment H. R. 5228, to provide a retirement annuity for the Comptroller General (pp. 8309-13).

7. EDUCATION. Passed without amendment H. R. 5691, to provide for an annual report by the Commissioner of Education regarding educational activities carried on by or under the supervision of, or with aid of, the executive branch (p. 8284).

The Rules Committee reported a resolution for consideration of H. R. 6049, to provide aid for education in federally affected areas (pp. 8284, 8338).

8. RECLAMATION. The Interior and Insular Affairs Committee ordered reported (but did not actually report) H. R. 4551, to amend the Reclamation Act of 1939 by removing authorization of projects by the Secretary of the Interior (p. D666).

9. FEDERAL REGISTER. Passed as reported H. R. 1806, to provide statutory authority for publication by the Administrative Committee on the Federal Register from time to time as deemed necessary (pp. 8290-1).

10. ELECTRIFICATION. The Public Works Committee reported without amendment H. R. 4351, to authorize electric-power development of the Niagara Falls and River (H. Rept. 713)(p. 8338).

11. INFORMATION. Passed without amendment S. 971, to authorize films and related material for educational use to be transmitted through the mails at the rate provided for books (p. 8295). This bill will now be sent to the President.

DISASTER RELIEF

JULY 7, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOPE, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 6054]

The Committee on Agriculture to whom was referred the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert the following:

That section 2 of the Act of April 6, 1949 (63 Stat. 43), as amended, is hereby further amended as follows: (A) After the second sentence of subsection (a) add the following new subsections:

"ECONOMIC DISASTER LOANS

"(b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 1855), as amended, to make loans to farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"(c) For a period of two years from the effective date of this subsection loans for \$2,500 or more may be made to established ranchers or stockmen who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of three

years, but may be renewed. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 per centum per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local financing institutions, livestock operators, and persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this Act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

"EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

"(d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 1855), as amended, to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, as the Secretary may determine. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster and may waive payment in whole or in part if in his judgment circumstances so require. The Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and shall reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for costs and administrative expenses necessary in performing such functions."

AMENDMENTS TO EXISTING PROVISIONS

(B) The last sentence of subsection (a) is designated as subsection (e) and a comma and the word "reimbursement," shall be inserted after the word "loans" where it first appears in said subsection.

(C) The letter "(a)" in the last clause of subsection (b) is deleted, the subsection is redesignated as subsection (f), and there shall be added at the end thereof the following new sentence: "There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine."

GENERAL STATEMENT

The purpose of this bill is to assist farmers, ranchers, and stockmen to meet the emergency resulting from the drought situation now prevalent in the south-central area of the United States. The drought is now into its fourth year in some of the affected areas. At the time of the hearing on this bill (July 6, 1953) parts of six States were in such critical condition from the continued drought that they had been designated as disaster areas by the President, under authority of Public Law 875, 81st Congress.

In Texas there are 152 counties in the disaster area, 40 in Oklahoma, 77 in Kansas, 7 in Colorado, and 26 in New Mexico. At the time of the hearing Arkansas had also been designated as a disaster area, but the counties had not been named. Unless rain comes soon, it is possible that other additional counties and States may be included by the President in the disaster area resulting from the drought.

SPECIFIC PROVISIONS OF THE BILL

This bill amends Public Law 38, 81st Congress, by authorizing three additional uses to which money in the fund created by that act may be used. Public Law 38 dissolved the Regional Agricultural Credit Corporation (which had been used in the past for emergency agricultural loans) and transferred the remaining assets of the Corporation, amounting to about 45.5 million dollars, into a new "disaster loan revolving fund."

The money in this fund is being used at present under authority of Public Law 38 to make loans to farmers in areas of "production disasters" where crop failures have resulted from natural causes, and for other specialized agricultural loans such as loans to fur farmers and to orchardists in the Northwest.

The bill reported herewith (H. R. 6054) will permit this fund to be used for the following additional purposes:

1. Loans to farmers and stockmen "for any agricultural purpose" within the area designated by the President as a disaster area, if the disaster has caused a need for emergency agricultural credit that cannot be met by normal credit sources.

2. For a period of 2 years from the enactment of the legislation, for special livestock loans to established ranchers and livestock producers anywhere in the United States whose operations are jeopardized by the economic conditions resulting from the drought, who have a good record of operations but are unable temporarily to get the credit they need from recognized lenders and have a good chance of working out of their difficulties if they obtain supplementary financing.

3. For the Secretary of Agriculture to furnish feed and seed to distressed farmers, ranchers, or stockmen, within the disaster areas designated by the President, at reasonable prices (or without compensation under special circumstances) and to use money from the disaster loan revolving fund for this purpose.

THE NEED FOR EMERGENCY CREDIT

The Committee on Agriculture has been keenly aware for the past several months that the declining price of cattle and the impact of the drought both on cattle prices and on feed supplies might result in a situation where livestock producers would require emergency credit. One of the first official acts of the committee after the convening of the 83d Congress was the appointment of a Special Livestock Subcommittee to study and watch this situation. On February 20, 1953, that subcommittee issued a statement in which it pointed out the possible need of emergency credit from governmental sources to prevent forced marketing of cattle before they are ready and to prevent the liquidation of foundation herds.

At the request of the subcommittee on February 24, 1953, the Federal Reserve Board undertook a special nationwide survey of the livestock credit situation and submitted a report to the subcommittee. Early in March, following the suggestion made by the subcommittee, the Department of Agriculture held a special conference in Washington on this subject. The conclusions reached by both these studies were that adequate credit for the livestock industry was still available from normal credit sources, although factors were building up which, unless reversed, might result eventually in the need for emergency credit.

Since that time, the committee has kept close watch on the situation and has considered both the credit situation and the growing menace of the drought at the hearings held before the full committee here in Washington. The committee had within the past few days reached the conclusion that some type of emergency credit is now needed by farmers and livestock producers, particularly in the drought areas and that such credit would be of assistance to them in meeting the present feed and price emergency. The committee had, indeed, ordered the drafting of bills to provide such emergency credit at the time the draft of this bill (H. R. 6054) was received from the Secretary of Agriculture and would have proceeded with the consideration of one of its own bills had not this bill, the provisions of which have been agreed upon by the Department of Agriculture and various representatives of the agricultural and livestock industry, been submitted at this time. There was not time to obtain a formal report from the Department of Agriculture and the Bureau of the Budget on this bill but the Secretary of Agriculture, in testifying on behalf of the bill, stated that he had reported to the President his proposals to meet the drought emergency and that those proposals, including the substance of this bill, had the approval of the President.

Sources of adequate credit are indispensable to most of the farmers in the livestock business. In order to properly utilize their land and its productive capacity, many farmers and ranchers carry on the land an inventory of cattle that costs several times as much as the land itself. Very few farmers have the cash with which to purchase the cattle they have on their land and must necessarily turn to banks, cattle loan companies, production credit associations, and other sources of credit for the money with which to purchase their livestock, giving in security therefor a chattel mortgage on the stock.

When adverse climatic conditions prevent the growing of adequate feed supplies or when falling cattle prices reduce the value of livestock as security for a loan and at the same time diminish the possibility of the farmer or rancher "coming out" on his operations, lending institutions become understandably concerned about the security of their loans. They begin to call demand paper, to refuse to renew short-term loans that would normally have been renewed without question, and to decline to make new loans on livestock. Because credit is absolutely essential to most livestock producers, and because livestock is the major if not the only source of income for many cattlemen, the drying up of the normal credit sources is an extremely serious matter and can quickly result in the livestock producer not only being deprived completely of his income but also of his capital investment itself, unless an emergency or supplemental source of credit is available. It is the purpose of this bill to provide that emergency credit in this type of situation.

DROUGHT AND CATTLE PRICES

¶ In the past 12 months beef cattle prices have dropped an average of 39 percent for the United States as a whole—from an average farm price of \$26.20 per hundredweight in June 1952 to an average farm price of \$16 on June 15, 1953. During about the same period, the price of Prime slaughter steers at Chicago (the finished product of the cattle industry) dropped from \$36.20 in May 1952 to \$23.51 in May 1953.

A number of factors have entered into this decline in cattle prices, but one of the most important cited by students of the situation is the drought which has become increasingly severe in the great cattle-producing area of the South Central States. In this area are many of the foundation herds that are in the business of producing the calves which provide the supply of stockers and feeders that go into northern pastures and feed lots and eventually reach the market as finished beef animals. As the drought has become more protracted and more severe—and particularly as hot weather and lack of rain this spring combined to prevent the growth of grass that hard-pressed ranchers anticipated—there has been a forced liquidation of animals from the drought area that has put severe pressure on the cattle market and has driven the price down below the level at which it would otherwise have been.

It is the opinion of the committee that the present low level of cattle prices which is creating an economic emergency for cattle producers in many parts of the country is in part at least the result of the drought situation which has now reached emergency proportions in the affected States.

American consumers are eating more beef today than at any time in modern history. Cattle slaughter in May and June 1953 in federally inspected plants was 44 percent greater than the same 2 months in 1952. Consumers are eating beef as fast as it is being produced and are buying it at retail prices which, if passed on to the farmer at a "normal" rate would result in a farm price for live cattle about \$3 per hundredweight above the present average prices. The fact that farmers are not receiving this higher price for their cattle is, in the opinion of the committee, due in large part to the pressure on the market resulting from the forced liquidation in the drought areas. If this liquidation can be stopped—if farmers in the disaster area can hold on to their cattle and resume an orderly production and marketing program—the pressure will be taken off the entire live cattle market, prices should resume a more equitable level, and the entire economy will be benefited.

AMENDMENTS

Because of a large number of editorial and very minor clarifying amendments which needed to be made in the bill as referred to the committee, the committee made those amendments separately and then incorporated them into a single amendment which strikes out all after the enacting clause of the bill as introduced and substitutes the text as amended by the committee.

There are only two substantial changes in the bill made by the committee amendment:

1. The committee amendment strikes out the parenthetical phrase appearing on page 2, lines 13–16, in the original bill. This provision would have authorized special livestock loans to corporations or associations engaged in the business of financing cattle operations, or to marketing cooperatives and associations. There was no showing of any widespread need for loans to institutions or organizations of this type and the committee felt that it was better to confine this bill to the single subject of relief for individual ranchers and livestock producers.

2. On page 4 of the original bill, the committee moved the words, "may waive payment in whole or in part if in his judgment circumstances so require" from their position as part of the first sentence of subsection (d) and made them a part of the second sentence. The effect of this is to tighten up the authority for providing feed and seed in the disaster area partially or wholly without charge. By making this provision a part of the second sentence of the subsection, the Secretary must connect his decision to provide feed and seed free of charge with the "nature and effect of the disaster."

ANALYSIS OF THE BILL

The provisions of this bill are entirely of an emergency character. Two of the new subsections added to the act of April 6, 1949 (subsecs. (b) and (d)) are permanent in character but will apply only in areas designated by the President as major disaster areas under the authority of Public Law 875, 81st Congress. The other new subsection—(c)—is general in its application throughout the United States, but is for a limited period of time (2 years).

Economic disaster loans

The new subsection (b) authorizes the Secretary of Agriculture to make loans from the disaster loan revolving fund to meet credit needs arising from an economic disaster. Under this section, when the President has found an area to be one of major disaster pursuant to Public Law 875, 81st Congress; the Secretary of Agriculture may also find that an economic disaster, such as substantial price declines, has contributed to a credit need that recognized lenders cannot meet.

The Farmers Home Administration can now make loans out of the revolving fund in areas where the Secretary finds that a natural disaster exists, but cannot make loans under its existing authority if the credit stringency is the result of economic conditions, even though those economic conditions are associated with the natural disaster. This new section of the act will permit and authorize the making of these emergency loans during periods of and in areas of major disasters to farmers and stockmen for any agricultural purpose for credit that cannot be met for a temporary period from normal credit sources.

Special livestock loans

The new subsection (c) added to Public Law 38 by this bill would set up a lending authority out of the disaster loan revolving fund substantially similar to the authority of the regional agricultural credit corporations, which proved effective in previous periods of emergency. It is contemplated that the procedural work incident to disbursing, servicing, and collecting the loans will be handled by the Farmers' Home Administration which has finance offices serving all areas of the country and representatives covering every agricultural county. Approval of these loans and the supervision and direction of servicing them would, however, be by special livestock loan committees to be designated by the Secretary and any loan in excess of a total of \$50,000 would have to be approved, in addition, by the Secretary of Agriculture or his designated representative.

While this authorization is not limited to areas of physical disaster, it is a part of the disaster relief program. Loans may be made to farmers in any part of the country, but the authority to make these

loans is limited to a period of 2 years, and there are other limitations and standards established for eligibility. Borrowers must be "established ranchers or stockmen," which means that their farming operation must depend for a substantial portion of its income upon the production of livestock. They must have a good record of operations. While unable temporarily to get the credit they need from recognized lenders, they must convince the special livestock loan committee in their area that they have a reasonable chance of working out of their difficulties with supplementary financing.

These loans can be made only to "established" farmers and stockmen. They cannot be made to a person who is simply desirous of going into the livestock business. In the event of a previously "established" farmer or stockman whose livestock might have been liquidated as the result of foreclosure of a previous loan, the committee assumes that the Secretary will define by appropriate regulation what period of time or under what circumstances the farmer or stockman will continue to be considered as "established."

Refinancing

Both subsections (b) and (c) are silent on the subject of loans for the purpose of refinancing existing indebtedness. This matter was discussed by the committee both in its open hearings and in executive session with representatives of the Department of Agriculture and it is the understanding of the committee that present policies of the Farmers Home Administration with respect to such emergency loans are to be continued and that loans authorized by this bill will, in general, not be available to provide money for the refinancing of existing indebtedness. An exception might be made in certain circumstances where part of the proceeds of the loan might be needed to pay bills connected with current operations such as feed bills, water bills, or bills for electricity and similar services or supplies.

CHANGES IN EXISTING LAW

In compliance with clause 3 of the rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is in italics; existing law in which no change is proposed is shown in roman):

ACT OF APRIL 6, 1949

AN ACT To abolish the Regional Agricultural Credit Corporation of Washington, District of Columbia, and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes

* * * * *

SEC. 2. (a) The Secretary is hereby authorized to make loans to farmers and stockmen for any agricultural purpose in any area or region where he finds that a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources. Such loans shall be made at such rates of interest and on such general terms and conditions as the Secretary shall prescribe for such area or region.

ECONOMIC DISASTER LOANS

(b) *The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 1855), as amended, to make loans to farmers and stockmen for any agricultural purpose in the area covered by the determination*

of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

SPECIAL LIVESTOCK LOANS

(c) For a period of two years from the effective date of this subsection loans for \$2,500 or more may be made to established ranchers or stockmen who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of three years, but may be renewed. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 per centum per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local financing institutions, livestock operators, and persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this Act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

(d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 1855), as amended, to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, as the Secretary may determine. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster and may waive payment in whole or in part if in his judgment circumstances so require. The Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and shall reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for costs and administrative expenses necessary in performing such functions.

(e) The Secretary may utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (12 U. S. C. 1148a), for making such loans and for administrative expenses in connection with such loans.

[(b)] (f) The funds transferred to the Secretary under section 1 of this Act, and all sums received by the Secretary from the liquidation of the assets, contracts, property, claims, and rights transferred to him under section 1 of this Act, from the liquidation of loans made under section 2 of this Act, and from the liquidation of any other assets acquired with funds from the said revolving fund; and the revolving fund as so constituted shall remain available to the Secretary only for the purposes specified in sections 1 (d) and 2 [(a)] of this Act. There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine.

83^d CONGRESS
1ST SESSION

H. R. 6054

[Report No. 714]

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 1953

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

JULY 7, 1953

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Act of April 6, 1949 (63 Stat. 43, as
4 amended), is hereby further amended by adding these new
5 subsections as follows:

6 “ECONOMIC DISASTER LOANS

7 “SEC. 2. (b) The Secretary is authorized in connection
8 with any major disaster determined by the President to
9 warrant assistance by the Federal Government under Public
10 Law 875, Eighty-first Congress, as amended (42 U. S. C.

1 1855), to make loans to farmers and stockmen for any agri-
 2 cultural purpose in the area covered by the determination
 3 of the President, if he finds that an economic disaster has also
 4 caused a need for agricultural credit that cannot be met for a
 5 temporary period from commercial banks, cooperative lend-
 6 ing agencies, the Farmers' Home Administration under its
 7 regular loan programs, or other responsible sources. The
 8 loans shall be made at such rates of interest and on such
 9 general terms as the Secretary shall prescribe for such area.

10 "SPECIAL LIVESTOCK LOANS

11 "SEC. 2. (c) For a period of two years from the effec-
 12 tive date of this Act loans for \$2,500 or more may be made
 13 to established ranchers or stockmen (including corporations
 14 or associations engaged in the business of financing cattle
 15 and if owned and controlled by ranchers and stockmen en-
 16 gaged in the business of buying and selling cattle) who
 17 have a good record of operations, but are unable temporarily
 18 to get the credit they need from recognized lenders and
 19 have a reasonable chance of working out of their difficulties
 20 with supplementary financing. The loans may be made on
 21 such security as the borrower has available and for the time
 22 reasonably required by the needs of the borrower but not
 23 exceeding, in the first instance, a period of three years. The
 24 creditors of the applicant will not be asked to subordinate
 25 their indebtedness but must be willing to work with the

1 borrower to the extent of executing standby agreements for
2 such periods of time as is reasonably necessary to give the
3 borrower a chance to substantially improve his situation.
4 The loans shall bear interest at the rate of 5 per centum per
5 annum and shall be made on such other terms and conditions
6 as the Secretary shall prescribe. The loans shall be subject
7 to approval by a special committee appointed by the Secre-
8 tary to serve for the particular area as determined by the
9 Secretary. Loans exceeding \$50,000 shall be approved by
10 the Secretary. The committee shall consist of at least three
11 members appointed by the Secretary from local financing
12 institutions, livestock operators, and persons having recog-
13 nized knowledge of the livestock industry. The committee
14 shall perform such additional functions under this Act, in-
15 cluding general direction of the servicing of the loans, as the
16 Secretary may prescribe. The members shall serve at such
17 compensation as the Secretary shall determine not exceeding
18 \$25 for each day spent on the work of the committee and
19 shall be entitled to receive transportation costs and per diem
20 in accordance with standard Government travel regulations.

21 ~~"EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED~~

22 ~~"SEC. 2. (d) The Secretary is authorized in connection~~
23 ~~with any major disaster determined by the President to~~
24 ~~warrant assistance by the Federal Government under Public~~
25 ~~Law 875, Eighty-first Congress, as amended (42 U. S. C.~~

1 1855), to furnish to established farmers, ranchers, or stock-
 2 men feed for livestock or seeds for planting for such period
 3 or periods of time, at reasonable prices; but the Secretary
 4 may waive repayment in whole or in part if in his judgment
 5 circumstances so require. The Secretary may specify such
 6 other terms and conditions as he may determine to be
 7 required by the nature and effect of the disaster. The Seere-
 8 tary may utilize the personnel, facilities, and funds of any
 9 agency of the United States Department of Agriculture,
 10 including Commodity Credit Corporation, for carrying out
 11 these functions and may reimburse the agencies so utilized
 12 for the value of any commodities furnished which are not
 13 paid for by the farmers or ranchmen, and for administrative
 14 expenses necessary in performing such functions."

15 AMENDMENTS TO EXISTING PROVISIONS

16 The last sentence of subsection 2 (a) is renumbered
 17 as subsection 2 (c) and a comma and the word "reimburse-
 18 ment" shall be inserted after the word "loans" in said
 19 subsection.

20 The letter (a) in the last clause of subsection 2 (b) is
 21 deleted, the subsection is renumbered as ubsection 2 (f),
 22 and there shall be added at the end thereof the following
 23 new sentence: "There is hereby authorized to be appro-
 24 priated to the revolving fund such additional sums as the
 25 Congress shall from time to time determine."

1 *That section 2 of the Act of April 6, 1949 (63 Stat. 43),*
2 *as amended, is hereby further amended as follows:*

3 *(A) After the second sentence of subsection (a) add the*
4 *following new subsections:*

5 *“ECONOMIC DISASTER LOANS*

6 *“(b) The Secretary is authorized in connection with any*
7 *major disaster determined by the President to warrant assist-*
8 *ance by the Federal Government under Public Law 875,*
9 *Eighty-first Congress (42 U. S. C. 1855), as amended, to*
10 *make loans to farmers and stockmen for any agricultural*
11 *purpose in the area covered by the determination of the Presi-*
12 *dent, if the Secretary finds that an economic disaster has*
13 *also caused a need for agricultural credit that cannot be met*
14 *for a temporary period from commercial banks, cooperative*
15 *lending agencies, the Farmers' Home Administration under*
16 *its regular loan programs, or other responsible sources. The*
17 *loans shall be made at such rates of interest and on such*
18 *general terms as the Secretary shall prescribe for such area.*

19 *“SPECIAL LIVESTOCK LOANS*

20 *“(c) For a period of two years from the effective date*
21 *of this subsection loans for \$2,500 or more may be made to*
22 *established ranchers or stockmen who have a good record of*
23 *operations, but are unable temporarily to get the credit they*
24 *need from recognized lenders and have a reasonable chance*

1 of working out of their difficulties with supplementary financ-
2 ing. The loans may be made on such security as the borrower
3 has available and for the time reasonably required by the
4 needs of the borrower but not exceeding, in the first instance,
5 a period of three years, but may be renewed. The creditors
6 of the applicant will not be asked to subordinate their indebt-
7 edness but must be willing to work with the borrower to the
8 extent of executing standby agreements for such periods of
9 time as is reasonably necessary to give the borrower a chance
10 to substantially improve his situation. The loans shall bear
11 interest at the rate of 5 per centum per annum and shall be
12 made on such other terms and conditions as the Secretary
13 shall prescribe. The loans shall be subject to approval by a
14 special committee appointed by the Secretary to serve for the
15 particular area as determined by the Secretary. Loans ex-
16 ceeding \$50,000 shall be approved by the Secretary. The
17 committee shall consist of at least three members appointed by
18 the Secretary from local financing institutions, livestock oper-
19 ators, and persons having recognized knowledge of the live-
20 stock industry. The committee shall perform such additional
21 functions under this Act, including general direction of the
22 servicing of the loans, as the Secretary may prescribe. The
23 members shall serve at such compensation as the Secretary
24 shall determine not exceeding \$25 for each day spent on the
25 work of the committee and shall be entitled to receive trans-

1 portation costs and per diem in accordance with standard
 2 Government travel regulations.

3 “EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

4 “(d) The Secretary is authorized in connection with any
 5 major disaster determined by the President to warrant assist-
 6 ance by the Federal Government under Public Law 875,
 7 Eighty-first Congress (42 U. S. C. 1855), as amended, to
 8 furnish to established farmers, ranchers, or stockmen feed
 9 for livestock or seeds for planting for such period or periods
 10 of time, at reasonable prices, as the Secretary may determine.
 11 The Secretary may specify such other terms and conditions
 12 as he may determine to be required by the nature and effect
 13 of the disaster and may waive payment in whole or in part
 14 if in his judgment circumstances so require. The Secretary
 15 may utilize the personnel, facilities, property, and funds of
 16 any agency of the United States Department of Agriculture,
 17 including Commodity Credit Corporation, for carrying out
 18 these functions and shall reimburse the agencies so utilized
 19 for the value of any commodities furnished which are not
 20 paid for by the farmers or ranchmen, and for costs and ad-
 21 ministrative expenses necessary in performing such func-
 22 tions.”

23 AMENDMENTS TO EXISTING PROVISIONS

24 (B) The last sentence of subsection (a) is designated
 25 as subsection (e) and a comma and the word “reimburse-

1 *ment", shall be inserted after the word "loans" where it first*
2 *appears in said subsection.*

3 *(C) The letter "(a)" in the last clause of subsection (b)*
4 *is deleted, the subsection is redesignated as subsection (f),*
5 *and there shall be added at the end thereof the following new*
6 *sentence: "There is hereby authorized to be appropriated to*
7 *the revolving fund such additional sums as the Congress shall*
8 *from time to time determine."*

83d CONGRESS
1ST SESSION

H. R. 6054

[Report No. 714]

A BILL

To amend the Act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

By Mr. HOPE

JULY 1, 1953

Referred to the Committee on Agriculture

JULY 7, 1953

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

List of contributors of \$500 or more, first quarter, 1953, Unemployment Benefit Advisors, Inc.

AMOUNT CONTRIBUTED FIRST QUARTER, 1953	
Pittsburgh Plate Glass Co., Pittsburgh, Pa.....	\$1,000
Marshall Field & Co., Chicago.....	750
Beech-Nut Packing Co., Canojoharie, N. Y.....	500
Union Bag & Paper Co., New York City.....	500
S. S. Kresge Co., Detroit, Mich.....	750
Union Carbide & Carbon, New York City.....	2,000
General Electric Co., Schenectady, N. Y.....	2,000
Standard Oil of New Jersey, New York City.....	1,500
Republic Steel Corp., Cleveland, Ohio.....	1,000
U. S. Rubber Co., New York City.....	500
Atlantic Refining Co., Philadelphia, Pa.....	1,000
Eastman Kodak Co., Rochester, N. Y.....	500
Standard Oil of California, San Francisco, Calif.....	1,000
Sheaffer Pen Co., Fort Madison, Iowa.....	500
Westinghouse Electric, Pittsburgh, Pa.....	500
Retail Merchants Association of Pittsburgh, Pa.....	500
Aluminum Co. of America, Pittsburgh, Pa.....	1,000
Caterpillar Tractor Co., Peoria, Ill.....	1,000
Koppers Co., Pittsburgh.....	500
Associated Dry Goods Corp., New York City.....	500
Allied Stores Corp., New York City.....	1,000
Sun Oil Co., Philadelphia, Pa.....	1,000
Shell Oil Co., New York City.....	1,000
Alabama Power Co., Birmingham, Ala.....	500
Timken-Detroit Axle Co., Detroit, Mich.....	500
Federated Department Stores, Cincinnati, Ohio.....	1,000
American Cyanamid, New York City.....	1,000
Lead, S. Dak.....	500
Peoples Gas, Light and Coke, Chicago.....	1,000
Wieboldt Stores, Inc., Chicago.....	1,000
Carson, Pirie & Scott, Chicago.....	500
Firestone Tire & Rubber Co., Akron, Ohio.....	500
Transcontinental Gas Pipe, Houston, Tex.....	2,500
Libby-Owens-Ford Glass Co., Toledo, Ohio.....	500
Total.....	30,000
Total receipts (designated as "retainer") for first quarter, 1953.....	138,810

¹ The difference between this amount and the \$30,000 total shown above presumably represents contributions of less than \$500.

List of contributors of \$500 or more, fourth quarter, 1952, Unemployment Benefit Advisors, Inc.

AMOUNT CONTRIBUTED FOURTH QUARTER, 1952	
E. I. du Pont de Nemours, Wilmington, Del.....	\$1,000
Gaylord Container Corp., St. Louis, Mo.....	500
Oscar Mayer & Co., Chicago, Ill.....	500
Humble Oil & Refining, Houston, Tex.....	500
Fairbanks-Morse, Chicago.....	500
G. C. Murphy Co., McKeesport, Pa.....	1,000
Gulf Oil Corp., Pittsburgh, Pa.....	750
Nash-Kelvinator Corp., Detroit, Mich.....	500
American Brass Co., Kenosha, Wis.....	750
Allis-Chalmers Manufacturing Co., Milwaukee, Wis.....	2,500
General Motors Corp., Detroit, Mich.....	3,500

List of contributors of \$500 or more, fourth quarter, 1952, Unemployment Benefit Advisors, Inc.—Continued

Industrial & Self Insurer's Exchange, Boise, Idaho.....	\$1,000
Kelsey-Hayes Wheel Co., Detroit, Mich.....	500
Maytag Co., Newton, Iowa.....	500
Richfield Oil Corp., San Francisco, Calif.....	500
Great Lakes Steel, Detroit, Mich.....	500
International Harvester, Chicago.....	1,000
Cities Service Co., New York City.....	500
J. L. Hudson Co., Detroit, Mich.....	1,000
Clark Equipment Co., Buchanan, Mich.....	500
B. F. Goodrich Co., Akron, Ohio.....	500
American Can Co., New York City.....	1,000
Kennecott Copper Co., New York City.....	750
S. H. Kress & Co., New York City.....	500
Chrysler Corp., Detroit, Mich.....	1,000
Total.....	21,750

Total receipts¹ for fourth quarter, 1952.....² 34,465
Received during previous quarters of calendar year 1952..... 108,724

Total for calendar year 1952... 143,189

¹ Designated as "retainer."

² The difference between this amount and the \$21,750 total shown above presumably representing contributions of less than \$500.

Mr. SCOTT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. HELLER (at the request of Mr. RABAUT) was given permission to address the House for 15 minutes on tomorrow following any special orders heretofore entered.

DROUGHT CONDITIONS IN WEST TEXAS

(Mr. HILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILL. Mr. Speaker, at the beginning of the 83d Congress, the Committee on Agriculture, under the direction of our chairman, Congressman CLIFFORD HOPE, selected a Subcommittee on Livestock, and last Friday 5 members of the subcommittee consisting of myself; CHARLES B. HOEVEN, Iowa; ROBERT D. HARRISON, Nebraska; W. R. POAGE, Texas; and CLARK W. THOMPSON, Texas, visited the drought-stricken area than 500 miles and a hundred by automobile, inspecting firsthand the mobile, inspecting first hand the drought-stricken area of western Texas. Time did not permit a firsthand examination of Oklahoma, New Mexico, and Colorado.

The parched condition and the scorched earth in the farming sections we visited is beyond words to describe. Most of the fields were as bare as if it were midwinter. A very few sprigs or green weeds were all that was visible as we flew over the dry area. Piles of sand and dust lay like snowbanks over the

farmlands. Much of the area we inspected has been short on rainfall for 3 years. Temperatures this summer have been of a searing nature rising well over 100 degrees. All records for drought and continued dry weather have been broken and much of this section has not had a 50-percent average rainfall. I was impressed with the probability of starvation facing all livestock in this area, as I never saw a single patch of roughage feed, Kaffir, corn, sudan, and so forth, that would provide any feed for livestock for the coming fall or winter months.

From appearances on the ranges and over the farms much of the cattle must have been sold, as we saw very few herds of any size and most of them were in dry lots; farmers are feeding cattle as if winter were continuing.

Now to make this situation more drastic and critical, the Weather Bureau offers little hope for any appreciable amount of rainfall for the next 30 days. This drought has been building up for more than 3 years and it does appear at the moment that this is a very crucial year in the history of agriculture for the entire southwestern area, including Colorado, New Mexico, Oklahoma, and Texas.

Secretary of Agriculture Benson acted promptly and I am enclosing as part of my remarks an Associated Press dispatch from a Fort Worth newspaper on July 3, 1953:

FIRST DROUGHT FEED COMING IN

COLLEGE STATION.—The first carloads of livestock feed in the Government's drought-disaster relief plan for Texas are due in local train stations today.

"We'll have lots of feed by the middle of next week," said B. F. Vance, College Station, head of the State Production and Marketing Administration and also head of the Government's Drought Disaster Relief Committee for Texas.

Local committees in each of the 152 counties in the drought-disaster area will have responsibility for distributing the feed.

The committees are composed of the county PMA chairman, the county agent, the director of the county Farm Home Administration, a banker and a farmer or rancher.

"The feed will go only to a bona fide rancher or farmer," Vance said. "He'll have to show he's in the ranching or farming business and needs the feed for maintenance of foundation herds."

The Commodity Credit Corporation is selling the feed from its surplus stocks at reduced prices. The loss to the CCC will be made up from the \$8 million drought emergency fund set up by President Eisenhower for the drought areas of the Southwest.

Vance has called a meeting of the Texas Drought Disaster Committee here Monday at 2 p. m. He said they would review the situation by counties and set up operating policies.

Feed is coming into the area; more is promised and relief is in sight.

Yesterday, the Committee on Agriculture reported out, unanimously, a bill by Congressman HOPE, H. R. 6054, and we have hopes that this legislation can be passed through the House on the suspense calendar, and it appears that no objection will be made as this certainly is a major disaster.

This bill, H. R. 6054, would provide a supplemental source of credit for farm-

ers in the disaster areas. It would set up special credit machinery for livestock operators whether in the disaster areas or not. It would make it easier to administer programs for supplying feed and seed and for giving other assistance in the States and counties declared by the President to be suffering from major disaster. It would apply in cases where the applicant could not secure the necessary credit elsewhere.

The bill provides for economic disaster loans. When the President found an area to be one of major disaster pursuant to Public Law 875, 81st Congress, the Secretary of Agriculture might also find that an economic disaster, such as substantial price declines, had contributed to a need that recognized lenders could not meet. The Secretary could then authorize loans from the disaster loan revolving fund to meet that need in the area. The bill contemplates that the authority for making new loans under this section would be relied upon only for the period of the emergency.

Special livestock loans would set up a lending authority out of the disaster loan revolving fund substantially similar to the authority of the regional agricultural credit corporations. It is contemplated that the procedural work incident to the disbursing, servicing, and collecting of the loans would be handled by Farmers Home Administration. It has finance offices serving all areas of the country and representatives that cover all of the 3,000 agricultural counties of the country.

Emergency assistance would be provided in furnishing feed and seed when the President determined that a major disaster existed in a certain area which warranted assistance in the way of helping farmers get feed and seed in the areas at prices they can afford to pay.

I also enclose newspaper clippings describing the situation presently existing in southeastern Colorado:

[From the Greeley (Colo.) Tribune of July 1, 1953]

EISENHOWER INCLUDES COLORADO IN DROUGHT DISASTER AREA NOW ELIGIBLE TO SECURE UNITED STATES HELP

WASHINGTON, D. C.—President Eisenhower Wednesday made drought areas in Colorado, New Mexico, Kansas, and Arkansas eligible for Federal aid.

He extended to them his disaster declaration of June 26, and notified the governors of the four States that relief funds would come out of the \$8 million which he set aside Tuesday for nearly 200 counties in Texas and Oklahoma.

DENVER.—Colorado made an urgent new appeal to the Federal Government for aid Wednesday, the second in 2 days.

This time the State asked help and money to battle an infestation of grasshoppers in southern and western sections described by the State commissioner of agriculture as the worst one Colorado ever has had.

Meanwhile plans were laid hastily for an aerial war against the insects.

Governor Thornton personally made the plea for help to the United States Department of Agriculture in a long-distance telephone call barely 24 hours after asking that seven southeastern counties be included in the drought-disaster area.

DENVER.—Gov. Dan Thornton late Tuesday announced that Colorado's seven southeastern counties will receive Federal drought relief.

Thornton said he had talked with Agriculture Secretary Benson and has been assured the Colorado drought area would be declared a disaster area by the President.

Such action, the governor said, would allow Colorado to receive money from the \$8 million special-disaster fund, along with counties in Oklahoma and Texas.

Immediately, the governor dispatched a wire to President Eisenhower asking inclusion of the Colorado counties.

He said Benson advised him this was a formality which was necessary before the President could act.

"The effects of drought conditions over approximately the past 3 years have accumulated and have created damage, hardship, and suffering so severe," the governor advised the President, "that Federal assistance is required in all of Baca, Bent, Prowers, Las Animas, and Huerfano Counties in the south half of Kiowa and Otero Counties, Colorado."

"The drought area appears to be enlarging continuously and the area requiring assistance may subsequently need to be expanded."

"Types of aid required include long-term low-interest loans, feed supplies at costs the area can afford, lower freight rates, a tillage program and provision for cover crops without penalty under the crop-insurance program."

[From the Denver (Colo.) Post of July 3, 1953]

FEED RATE CUT TO HELP SAVE CATTLE IN STATE

Farmers and ranchers in the Colorado drought area will be able to have at least their "foundation" herds under a Government emergency decree reducing livestock feed by as much as 50 percent.

The emergency prices, disclosed Friday in Washington, include: Corn, \$1 a bushel; wheat, \$1.10; oats, 50 cents; cottonseed meal or pellets, \$35 a ton. The reduced price of hay has not yet been set.

Federal officials said the feed is being offered at cut-rate prices to encourage the maintenance of foundation herds of cattle and sheep. It will be distributed through county committees and should start moving into Colorado within the next few days.

Establishment of the committees in the 7 affected southeastern Colorado counties was ordered Thursday by Governor Thornton, who announced also that a State coordinating committee also will be set up "to develop organization and procedure."

This committee will meet at 2 p. m. Tuesday at Lamar under the direction of Gen. Henry L. Larsen, State director of civil defense. The county groups will meet at La Junta with the State committee at 10 a. m. Wednesday.

LAND BOARD TO TOUR AREA

As another relief measure, the three-man State land board will make a tour of the drought area next week to arrange reductions in school land leases. One of the members, J. J. Sylvester, said the board has authority to amend contracts with individual leaseholders in the distressed area.

On another front, Governor Thornton threw more than \$11,000 remaining in his emergency fund into a grasshopper control program to stem the advance of the insects in Huerfano, Las Animas, and Pueblo Counties.

He said the money should have reverted to the State general fund June 30 but that a delay in bookkeeping kept it available.

Thornton was confident the Federal Government would add \$200,000 to fight the grasshoppers which have cut a 60-mile swath through the three southern Colorado counties.

SEVEN AREAS DESIGNATED

Huerfano and Las Animas Counties are among the seven designated by President

Eisenhower as disaster areas eligible for Federal relief.

The five others are Baca, Bent, Kiowa, Otero, and Prowers.

Thornton has estimated the hopper eradication job, expected to start Monday from Walsenburg, would cost more than \$600,000. He hopes to stretch available funds through use of State and county machinery and facilities.

The Governor said he probably would not attend the Lamar and La Junta meetings next week but may go to Walsenburg to watch the start of spraying operations.

The State land board announcement coincided with one from the United States Soil Conservation Service which revealed that grazing rates on federally owned land in the seven drought-stricken counties would be reduced roughly 40 percent.

In Texas Gov. Allan Shivers was proceeding with plans for a five-State governors' conference on the drought—a suggestion advanced by Thornton several days ago.

Shivers is chairman of the National Governors' Conference. He passed Thornton's idea along to the Governors of Oklahoma, Kansas, and New Mexico, and asked for further suggestions as to the five-State meeting.

MRS. EDITH NOURSE ROGERS

(Mr. PRICE asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include an editorial.)

Mr. PRICE. Mr. Speaker, it gives me very great pleasure to call to the attention of the House a fine article which appeared in the St. Louis Post-Dispatch of Sunday morning, July 5, 1953, reviewing the remarkable record of our honored and distinguished colleague, Mrs. EDITH NOURSE ROGERS, of Massachusetts.

The article, written by Mr. Samuel J. Shelton, Jr., calls attention to the fact that Mrs. ROGERS is beginning her 29th year as a Member of the House of Representatives. Her 15 consecutive terms as a Member of the House not only make her the dean of women in Congress, but establishes for her a record as having held national public office longer than any other woman in the history of the United States. It is well that we, her colleagues in the House of Representatives, pay deserved tribute to this fine and remarkable woman whose record of achievements in her official position is unmatched. The article goes into detail on this score.

I had the pleasure of serving for 1 year on the House Veterans' Affairs Committee under Mrs. ROGERS' chairmanship. I know of no more able committee chairman in the House than this fine lady. Veterans of all wars have no greater friend in public office than Mrs. ROGERS. Her friendship for the veteran, and in particular for the disabled veteran, goes much deeper than her official duties. It is a sincere, honest, warm attachment to those men who have made sacrifices in behalf of their country.

I feel that I was honored in having had the privilege to serve on Mrs. ROGERS' committee in 1947 and all of us in the House, I am certain, feel the same in having been associated with her in our official duties.

I am very happy that one of the Nation's great newspapers, far removed from her congressional district in Massachusetts, has seen fit to give her this de-

EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

JULY 7 (legislative day, JULY 6), 1953.—Ordered to be printed

Mr. AIKEN, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 2267]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes, having considered same, report thereon with a recommendation that it do pass with amendments.

The bill, with the committee amendments, provides additional emergency assistance to farmers and stockmen in the form of (1) economic disaster loans in areas declared to be disaster areas under Public Law 875, 81st Congress, and (2) special loans, during the 2 years following passage of the bill, to producers of cattle, sheep, and goats, whether in disaster areas or not.

The Secretary of Agriculture now has authority, under section 2 (a) of the act of April 6, 1949 (63 Stat. 43), to make loans to farmers and stockmen in areas in which a production disaster has occurred, but these loans are limited to borrowers who have sustained production disasters on their farms. The bill would add a new section 2 (b) to the act of April 6, 1949, to permit the Secretary to make loans in areas determined to be disaster areas under Public Law 875, 81st Congress, to farmers and stockmen who have suffered from economic disasters, such as the declines in cattle prices which have occurred in the drought area. Committee amendments to this section would limit these loans to established farmers and stockmen, and make it clear that the determination of economic disaster is to be made by the Secretary.

In recognition of the fact that recent price declines in the livestock industry have resulted in widespread economic distress in that industry, the bill, with the committee amendments, provides for special loans to producers of cattle, sheep, and goats, whether located in a disaster area or not. These loans would be made under a new section

2 (c) of the act of April 6, 1949. The committee amendment by limiting these loans to producers of cattle, sheep, and goats would exclude producers of poultry, hogs, and other livestock, persons engaged in feeding, rather than producing, operations, and finance companies. Farmers engaged in diversified operations would, of course, be eligible to the extent that they were producers of cattle, sheep, and goats, and otherwise qualified. Loans under this section would be made only to producers having a good record of operations, but this would not exclude producers suffering losses through disease or other causes beyond their control in the exercise of generally sound producing and business practices. It is not contemplated that loans under this section or section 2 (c) would be available to enable a producer to expand his operations, and, since loans are expressly restricted to established producers, they would not be available to enable a producer to enter the livestock business.

Loans under section 2 (c) would be limited, in the first instance, to a period of 3 years; and might be renewed thereafter as necessary. They would be subject to approval by a committee appointed for the particular area, and, if in the excess of \$50,000, to approval by the Secretary as well. As introduced, the bill specified local financing institutions and livestock operators as sources from which the local committee members might be appointed. Your committee felt that this might be interpreted as requiring appointment of one member from each of these sources. The committee amendment would omit specification of these sources, thereby allowing the Secretary to appoint from such sources or from any other persons having recognized knowledge of the livestock industry.

The provision contained in the bill, as introduced, for furnishing feed and seed in disaster areas would be stricken out by committee amendment, as there is ample authority for this type of assistance in Public Law 875, 81st Congress (42 U. S. C. 1855). Assistance of this type has been, and is being, furnished satisfactorily under Public Law 875, and your committee sees no reason to duplicate this authority.

The loans provided for by the bill would be made from the disaster loan revolving fund under the act of April 6, 1949. There is about \$16 million presently available in the revolving fund. Collections during the fiscal year 1954 were originally estimated at \$36 million, but with many of the outstanding loans in drought areas, collections may not materialize to this extent. It does not appear that the revolving fund will be sufficient to provide for the additional loans authorized by the bill, and the bill consequently authorizes additional appropriations to the revolving fund. By requiring the loans to be made from the existing revolving fund and from such subsequent appropriations as the Congress may approve, it is believed adequate control over the total amount of loans will be maintained.

Loans under the bill are to be made only if other credit is not available from responsible sources or recognized lenders. Your committee, recognizing that adequate security would not ordinarily be available for this type of emergency loan, believes that producers obtaining them should be required to pledge whatever available security they might have; and, in the case of corporations, partnerships, or other business organizations, the personal obligations of the principal stockholders or other interested parties should be obtained. Your com-

mittee recommends the bill be amended accordingly. It is recognized, of course, that this amendment proposed by the committee cannot cover every situation in which some security might be available to the Government; and it is contemplated that the Secretary will exercise all due diligence to obtain such additional security as the circumstances warrant.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF APRIL 6, 1949, As AMENDED

SEC. 2. (a) The Secretary is hereby authorized to make loans to farmers and stockmen for any agricultural purpose in any area or region where he finds that a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources. Such loans shall be made at such rates of interest and on such general terms and conditions as the Secretary shall prescribe for such area or region.

ECONOMIC DISASTER LOANS

(b) *The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 1855), as amended, to make loans to established farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.*

SPECIAL LIVESTOCK LOANS

(c) *For a period of two years from the effective date of this subsection loans for \$2,500 or more may be made to established producers of cattle, sheep, and goats who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of three years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 per centum per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this Act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine, not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.*

(d) The Secretary may utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (12 U. S. C. 1148a), for making such loans and for administrative expenses in connection with such loans.

[(b)] (e) The funds transferred to the Secretary under section 1 of this Act, and all sums received by the Secretary from the liquidation of the assets, contracts, property, claims, and rights transferred to him under section 1 of this Act, from the liquidation of loans made under section 2 of this Act, and from the liquidation of any other assets acquired with funds from the said revolving fund shall be added to and become a part of the said revolving fund; and the revolving fund as so constituted shall remain available to the Secretary only for the purposes specified in sections 1 (d) and 2 [(a)] of this Act. *There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine.*



S. 2267

[Report No. 501]

IN THE SENATE OF THE UNITED STATES

JULY 1 (legislative day, JUNE 27), 1953

Mr. AIKEN (for himself, Mr. ANDERSON, Mr. BUTLER of Nebraska, Mr. YOUNG, Mr. LANGER, Mr. MUNDT, Mr. BARRETT, Mr. CASE, Mr. JOHNSON of Texas, Mr. CLEMENTS, Mr. STENNIS, Mr. MONRONEY, Mr. McCLELLAN, Mr. KERR, Mr. JOHNSON of Colorado, Mr. McCARRAN, Mr. MILLIKIN, Mr. THYE, Mr. DANIEL, Mr. SCHOEPPPEL, Mr. BENNETT, Mr. CARLSON, Mr. WELKER, Mr. GILLETTE, Mr. HUMPHREY, Mr. GRISWOLD, Mr. BRICKER, Mr. MALONE, Mr. TAFT, Mr. KUCHEL, Mr. GOLDWATER, Mr. WATKINS, Mr. DWORSHAK, Mr. COOPER, Mr. KNOWLAND, Mr. HENDRICKSON, Mr. HICKENLOOPER, Mr. JACKSON, Mr. EASTLAND, Mr. JOHNSTON of South Carolina, Mr. HOEY, Mr. HOLLAND, Mr. DOUGLAS, Mr. MANSFIELD, Mr. MORSE, Mr. HUNT, Mr. MURRAY, Mr. KEFAUVER, Mr. FULBRIGHT, Mr. GREEN, Mr. HILL, Mr. SPARKMAN, and Mr. MAYBANK) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JULY 7 (legislative day, JULY 6), 1953

Reported by Mr. AIKEN, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide for additional emergency assistance to farmers and stockmen, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Act of April 6, 1949 (~~63 Stat. 43~~, as
4 ~~amended~~) (*63 Stat. 43*), as amended, is hereby further
5 amended by adding these new subsections as follows as
6 follows:

1 (A) After the second sentence of subsection (a) add
2 the following new subsection:

3 “ECONOMIC DISASTER LOANS

4 “~~SEC. 2.~~ (b) The Secretary is authorized in connection
5 with any major disaster determined by the President to war-
6 rant assistance by the Federal Government under Public Law
7 875, Eighty-first Congress,—as amended (42 U. S. C. 1855),
8 as amended, to make loans to *established* farmers and stock-
9 men for any agricultural purpose in the area covered by
10 the determination of the President, if ~~he~~ *the Secretary* finds
11 that an economic disaster has also caused a need for agri-
12 cultural credit that cannot be met for a temporary period
13 from commercial banks, cooperative lending agencies, the
14 Farmers' Home Administration under its regular loan pro-
15 grams, or other responsible sources. The loans shall be
16 made at such rates of interest and on such general terms
17 as the Secretary shall prescribe for such area.

18 “SPECIAL LIVESTOCK LOANS

19 “~~SEC. 2.~~ (c) For a period of two years from the effec-
20 tive date of this ~~Act~~ *subsection* loans for \$2,500 or more may
21 be made to established ranchers or stockmen ~~(including~~
22 corporations or associations engaged in the business of financ-
23 ing cattle if they are owned and controlled by ranchers and
24 stockmen engaged in the business of buying and selling
25 cattle) *producers of cattle, sheep, and goats* who have a

1 good record of operations, but are unable temporarily to
2 get the credit they need from recognized lenders and have
3 a reasonable chance of working out of their difficulties with
4 supplementary financing. The loans may be made on such
5 security as the borrower has available and for the time
6 reasonably required by the needs of the borrower but not
7 exceeding, in the first instance, a period of three years.
8 The creditors of the applicant will not be asked to subordinate
9 their indebtedness but must be willing to work with the
10 borrower to the extent of executing standby agreements
11 for such periods of time as is reasonably necessary to give
12 the borrower a chance to substantially improve his situation.
13 The loans shall bear interest at the rate of 5 per centum per
14 annum and shall be made on such other terms and conditions
15 as the Secretary shall prescribe. The loans shall be subject
16 to approval by a special committee appointed by the Secre-
17 tary to serve for the particular area as determined by the
18 Secretary. Loans exceeding \$50,000 shall also be approved
19 by the Secretary. The committee shall consist of at least
20 three members appointed by the Secretary from ~~local financ-~~
21 ~~ing institutions, livestock operators, and~~ persons having rec-
22 ognized knowledge of the livestock industry. The committee
23 shall perform such additional functions under this Act, in-
24 cluding general direction of the servicing of the loans, as
25 the Secretary may prescribe. The members shall serve at

1 such compensation as the Secretary shall determine not
2 exceeding \$25 for each day spent on the work of the com-
3 mittee and shall be entitled to receive transportation costs
4 and per diem in accordance with standard Government travel
5 regulations. *regulations.*"

6 "EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

7 "SEC. 2. (d) The Secretary is authorized in connection
8 with any major disaster determined by the President to war-
9 rant assistance by the Federal Government under Public
10 Law 875, Eighty-first Congress, as amended (42 U. S. C.
11 1855), to furnish to established farmers, ranchers or stock-
12 men feed for livestock or seeds for planting for such period
13 or periods of time, at reasonable prices, but the Secretary
14 may waive repayment in whole or in part if in his judgment
15 circumstances so require. The Secretary may specify such
16 others terms and conditions as he may determine to be re-
17 quired by the nature and effect of the disaster. The Secere-
18 tary may utilize the personnel, facilities, and funds of any
19 agency of the United States Department of Agriculture, in-
20 cluding Commodity Credit Corporation, for carrying out
21 these functions and may reimburse the agencies so utilized
22 for the value of any commodities furnished which are not
23 paid for by the farmers or ranchmen, and for administra-
24 tive expenses necessary in performing such functions."

AMENDMENTS TO EXISTING PROVISIONS

The last sentence of subsection 2 ~~(a)~~ is renumbered as subsection 2 ~~(e)~~ and a comma and the word “reimbursement” shall be inserted after the word “loans” in said subsection.

(B) The last sentence of subsection (a) is designated as subsection (d).

(C) The letter (a) in the last clause of subsection 2 ~~(b)~~ is deleted, the subsection is renumbered as subsection 2 ~~(f)~~ subsection (b) is deleted, the subsection is redesignated as subsection (e), and there shall be added at the end thereof the following new sentence: “There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine.”

SEC. 2. Loans under this Act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 per centum of the stock or other interest in the corporation or organization.

A BILL

To provide for additional emergency assistance to farmers and stockmen, and for other purposes.

By Mr. AIKEN, Mr. ANDERSON, Mr. BUTLER of Nebraska, Mr. YOUNG, Mr. LANGER, Mr. MUNDY, Mr. BARRETT, Mr. CASE, Mr. JOHNSON of Texas, Mr. CLEMENTS, Mr. STENNIS, Mr. MONRONEY, Mr. MCCLELLAN, Mr. KERR, Mr. JOHNSON of Colorado, Mr. MCCARRAN, Mr. MILLIKEN, Mr. THYE, Mr. DANIEL, Mr. SCHERPPEL, Mr. BENNETT, Mr. CARLSON, Mr. WEIKER, Mr. GILLETTE, Mr. HUMPHREY, Mr. GRISWOLD, Mr. BRICKER, Mr. MALONE, Mr. TAFT, Mr. KUCHEL, Mr. GOLDWATER, Mr. WATKINS, Mr. DWORSHAK, Mr. COOPER, Mr. KNOWLAND, Mr. HENDRICKSON, Mr. HICKENLOOPER, Mr. JACKSON, Mr. EASTLAND, Mr. JOHNSTON of South Carolina, Mr. HOEY, Mr. HOLLAND, Mr. DOUGLAS, Mr. MANSFIELD, Mr. MORSE, Mr. HUNT, Mr. MURRAY, Mr. KEFAUVER, Mr. FULLBRIGHT, Mr. GREEN, Mr. HILL, Mr. SPARKMAN, and Mr. MAYBANK

JULY 1 (legislative day, JUNE 27), 1953

Read twice and referred to the Committee on
Agriculture and Forestry

JULY 7 (legislative day, JULY 6), 1953

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 9, 1953
For actions of July 8, 1953
83rd-1st, No. 125

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HIGHLIGHTS: Senate debated drought-relief bill. Senate committee reported International Wheat Agreement and measure to carry it out. House Rules Committee cleared drought-relief bill. House committee reported bill designating 50th anniversary of farm demonstration work. House passed bill for education aid in Federal areas.

SENATE

- 1. DROUGHT RELIEF.** Began debate on S. 2267, the drought-relief bill, which had been reported with amendments by the Agriculture and Forestry Committee earlier in the day (S. Rept. 501) (pp. 8409, 8429-31, 8446-64). Agreed to all committee amendments except that one of the amendments, relating to selection of the review committees, was modified (pp. 8454-5). Sen. Kerr presented an amendment to require price supports on beef cattle at 90% of parity (pp. 8455-63). Sen. Griswold offered an amendment to this amendment, to direct purchase of brood cows at 10 cents a pound or more (pp. 8463-4).
- 2. WHEAT.** The Foreign Relations Committee reported without amendment S. J. Res. 97, to carry out the new International Wheat Agreement (p. 8410).
The Committee also reported the Agreement without reservation (p. 8410).
The "Daily Digest" states that the Agriculture and Forestry Committee deferred action on H. R. 5451, regarding wheat marketing quotas, until July 10, when it will "consider the July 1 crop report prior to recommending a minimum national acreage allotment of wheat for 1954 (p. D670).
Sen. Anderson inserted a Washington Post editorial analyzing the wheat-surplus problem (pp. 8465-6).
The Rules and Administration Committee reported without amendment S. Res. 127, authorizing the Agriculture and Forestry Committee to investigate imports of unfit wheat from Canada (S. Rept. 506) (p. 8412).
- 3. APPROPRIATIONS.** The Appropriations Committee reported with amendments H. R. 5690, the second independent offices appropriation bill, which includes funds for Veterans' Administration, Tennessee Valley Authority, and the Selective Service

System (S. Rept. 502)(p. 8412).

4. **TIMBER STATISTICS.** Received from the Commerce Department a proposed bill to repeal the act authorizing the Census Bureau to collect and publish statistics of redcedar shingles; to Post Office and Civil Service Committee (p. 8411).
5. **FLOOD DAMAGE.** Sen. Humphrey inserted an Army letter describing flood damage in Minn. recently (pp. 8422-3).
6. **RURAL-TELEPHONE LOANS.** Sen. Humphrey commended the rural-telephone loans program and inserted USDA questions and answers regarding it (pp. 8423-5).
7. **PERSONNEL.** Sen. Williams stated that dual benefits are accumulated under the Social Security Act and the Civil Service Retirement Act, objected to such procedure, and inserted a Civil Service Commission letter concurring with his objective (pp. 8426-9).
8. **EXPENDITURES.** Sen. Flanders discussed the budget deficit, defended the rise in U. S. bond interest rates and continuation of the excess profits tax, and urged reduction of defense expenditures to balance the budget (pp. 8440-2).
9. **COMMITTEE ASSIGNMENT.** Sen. Hoey, instead of Sen. Johnson of Tex., was excused from the Government Operations Committee (see Digest 124).

HOUSE

10. **DROUGHT RELIEF.** The Rules Committee reported a resolution for consideration of H. R. 6054, to authorize emergency loans and supplies for drought relief (p. 8507).
11. **EXTENSION WORK.** The Judiciary Committee reported without amendment H. J. Res. 161, requesting the President to designate 1953 as the 50th anniversary year of farm demonstration work (H. Rept. 740)(p. 8507).
12. **ELECTRIFICATION.** The Rules Committee reported a resolution for consideration of H. R. 4351, relating to Niagara power development (p. 8507).
13. **EDUCATION.** Passed without amendment H. R. 6049, to provide a temporary program of assistance in school construction in federally affected areas (pp. 8486-504).
14. **FOREIGN TRADE.** The Ways and Means Committee ordered reported (but did not actually report) H. R. 5894, to amend the Trade Agreements Act to provide protection for American farmers, etc., and H. R. 5877, to simplify customs procedures (p. D675).
15. **TAXATION.** The Ways and Means Committee reported without amendment H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (H. Rept. 743)(p. 8508).
16. **PERSONNEL.** S. 2324, by Sen. Williams, to prohibit dual coverage under the Social Security Act and the Civil Service Retirement Act; to Finance Committee (p. 8414).
17. **FORESTRY.** S. 2325, by Sen. Anderson, to provide for conveyance of certain lands in the Santa Fe National Forest, N. Mex.; to Agriculture and Forestry Committee (p. 8414).
18. **LEGISLATIVE REPORTS.** H. R. 6160, by Rep. Whitten, to provide a staff to make reports on proposed legislation and to analyze legislative reports from executive

CONSIDERATION OF H. R. 6054

JULY 8, 1953.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 325]

The Committee on Rules, having had under consideration House Resolution 325, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 99

83^d CONGRESS
1ST SESSION

H. RES. 325

[Report No. 741]

IN THE HOUSE OF REPRESENTATIVES

JULY 8, 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 6054) to amend the
5 Act of April 6, 1949, to provide for additional emergency
6 assistance to farmers and stockmen, and for other purposes,
7 and all points of order against the bill are hereby waived.
8 After general debate, which shall be confined to the bill, and
9 shall continue not to exceed one hour, to be equally divided
10 and controlled by the chairman and ranking minority member
11 of the Committee on Agriculture, the bill shall be read for
12 amendment under the five-minute rule. It shall be in order

1 to consider without the intervention of any point of order the
2 substitute amendment recommended by the Committee on
3 Agriculture now in the bill. At the conclusion of such con-
4 sideration, the Committee shall rise and report the bill to
5 the House with such amendments as may have been adopted,
6 and any member may demand a separate vote in the House
7 on any of the amendments adopted in the Committee of the
8 Whole to the bill or committee substitute. The previous
9 question shall be considered as ordered on the bill and amend-
10 ments thereto to final passage without intervening motion
11 except one motion to recommit.

RESOLUTION

Providing for the consideration of H. R. 6054, a bill to amend the Act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

By Mr. ALLEN of Illinois

JULY 8, 1953

Referred to the House Calendar and ordered to be printed

will at some time in the future be entitled to retirement benefits under such system but who are not receiving or entitled to receive benefits under such system.

Subsection (b) of the first section of the bill provides that the amendment made by subsection (a) shall be effective after the end of the month in which the bill is enacted and that it shall also be effective with respect to services rendered after 1950 (the date when certain Federal employment was first made "covered employment") and prior to the end of the month in which the bill is enacted, except that it is not retroactively effective (1) to require the repayment of any monthly benefits paid prior to the end of the month in which the bill is enacted, or (2) to require the elimination from the old-age and survivors insurance benefit rolls of any surviving beneficiary of a deceased Federal employee, if such surviving beneficiary is receiving benefits based upon Federal service which was covered employment.

Subsection (a) of section 2 of the bill makes an amendment to the Internal Revenue Code corresponding to the amendment made by subsection (a) of the first section of the bill to the Social Security Act. The effect of this amendment to the Internal Revenue Code is to eliminate the Social Security tax on employers and employees with respect to the services which are eliminated as "covered employment" by subsection (a) of the first section of the bill.

Subsection (b) of section 2 of the bill provides for refunds of taxes heretofore collected with respect to services which are retroactively eliminated from "covered employment" by subsection (a) of the first section of the bill. The refunds are required to be made out of the Federal old-age and survivors insurance trust fund.

Section 3 of the bill provides that any individual who is retroactively denied "covered employment" credit for any service as a result of the enactment of subsection (a) of the first section of the bill will be permitted to count the period during which he rendered such service in computing his length of service under the Federal retirement system under which he is receiving or entitled to receive benefits. In order to do so he must pay to the officer or agency having custody of the funds used to pay benefits under such system (1) the amount which would have been deducted and withheld from his compensation during the time he rendered such service, if he had been subject to the retirement system during such time, and (2) any interest payable with respect to the amount referred to in (1). Section 3 could not be availed of by an individual to increase benefits payable under a non-contributory retirement system, such as the military retirement system.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. Is the distinguished Senator from Delaware advising the Senate at this time that former President Harry Truman, by Executive order, circumvented and bypassed Congress by establishing a drastic change in our civil-service system whereby Federal employees were permitted and enabled to be carried simultaneously on the civil-service rolls and on the social-security rolls?

Mr. WILLIAMS. Not exactly, but what the Senator has stated is partially correct. The history is that at the time Congress considered the social-security bill in 1950, it came before the committee of which I was a member. It was pointed out by the executive branch that as a result of the Korean war it would be necessary to enlarge the Federal employ-

ment purely on a temporary basis. It was pointed out also that under the law an employee who did not serve the full 5 years of service would not be eligible to receive benefits under the civil-service retirement system. Therefore the suggestion was made that we make it possible to put the temporary employees, who were being hired with no intention of keeping them long, under social security, as they would be in industry.

The committee went along with the suggestion. Frankly I approved of it myself, and I do not remember hearing any objection being made to it. However, after the bill was passed, in September 1950, in November or December of 1950, the President issued Executive Order No. 10180. That Executive order conferred upon every executive agency of Government the right to classify any of their employees, either temporary employees or their long-time employees, making them eligible for social-security benefits as outlined in the social-security law.

Later, as a result of the Executive order, the various agencies began to classify their employees by the wholesale, and made it possible for them to accumulate social-security benefits.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I should like to finish my statement first. I addressed a letter to Mr. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation, and asked him to check on the matter and determine the exact number of employees who had been so embraced under the social-security coverage as a result of the law and the interpretation of that law.

Mr. Stam's letter carries the following notation:

It is believed that there are today approximately 900,000 Federal employees who have social-security coverage solely by reason of their Federal employment.

Also, it is pointed out that the Chairman of the Civil Service Commission has confirmed the fact that in certain instances, as a result of the interpretation placed upon this ruling or law or whatever it may be called, employees can accumulate credit under both retirement funds while working for the United States Government, and get credit under both systems, while making payment only to one fund. That was pointed out in case No. 5.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. Does the Senator from Delaware know whether any congressional committee has ever studied the plan or given it official sanction?

Mr. WILLIAMS. The former chairman of the Committee on Finance, who was chairman of the committee at the time the bill was passed, is on the floor. I believe he will bear me out that in the debate on the bill Congress had no intention—and there is no legislative background indicating that it had—that such would be the case. Congress never thought of the matter in that light, and certainly Congress never intended that employees would get credit under the

two systems while making payments to one of them. I believe the Senator from Georgia will bear me out in that respect.

Mr. GEORGE. I believe the Senator is entirely correct in his statement.

Mr. WILLIAMS. That is my understanding. I have talked also with some members of the House committee, and they, too, were surprised to hear about it. I may say that Mr. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation, expressed amazement that any such thing was possible. When I told him I had heard there were perhaps 900,000 employees involved, he said first that there might be some employees; and he referred to the law which Congress had passed, and he said the figure might reach 9,000, but surely not such a large figure as I had mentioned. However, the fact remains that the correct figure is 900,000.

Mr. DWORSHAK. Mr. President, will the Senator from Delaware yield further?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. What does the Senator from Delaware propose to do with the bill he has introduced? How would he solve the problem?

Mr. WILLIAMS. The bill which I have introduced would retroactively correct the situation that was created under the interpretation given to the law. It would correct it in all cases except where the beneficiaries have died after being put on the retirement rolls. I thought too much complication might be involved by attempting to take care of that kind of situation; so I left out of the bill any provision with respect to deceased employees. However, the purpose of the bill is to correct the situation retroactively from 1950, and to spell out specifically that no one can accumulate benefits under two Government retirement funds, either both at the same time or one after the other. In other words employees are entitled to the benefits of only one retirement fund, certainly not two retirement funds. It was never so intended by Congress.

EMERGENCY DROUGHT RELIEF FOR FARMERS AND STOCKMEN

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 499, S. 2267, which is the bill for emergency drought relief.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2267) to provide additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

Mr. GRISWOLD. Mr. President, I am having prepared an amendment which I expect to offer to the bill. In my judgment, the bill does not cover the needs of the cattle industry in the United States, because what is needed is a basis for relief, just as much as the additional credit. In my judgment, the bill I introduced yesterday to place a

floor under cattle prices would do much more to take care of the situation than would the bill that is proposed to be made the unfinished business. However, the merits of the bill can be debated later.

So far I have not had an opportunity to study the committee report. I asked the legislative counsel to prepare an amendment, but I learned that a printed copy of the bill was not available to them. Therefore, I must object, and ask that the bill lie on the table.

Mr. KNOWLAND. For the information of the Senator from Nebraska, I may say I have moved that the Senate proceed to the consideration of the bill. There are a number of additional smaller bills to be considered, and with the permission of the chairman of the Committee on Agriculture and Forestry, I would be willing to ask that drought relief bill be laid aside temporarily, in order that the Senate might consider a resolution submitted by the Senator from Minnesota, who is chairman of the Committee on Small Business. There are also one or two other measures which might be considered. The Senator from Nebraska thus would have an opportunity to have his amendment prepared. However, because of the emergency nature of the situation confronting the Senate, the acting majority leader feels that the drought relief bill should be made the unfinished business of the Senate.

Mr. GRISWOLD. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. GRISWOLD. Would it not be better to have printed the amendment I shall propose, which I think is a very important amendment, so that all Senators may have copies available to them? Is it an impossibility to have the amendment printed on short notice?

Mr. KNOWLAND. I suggest to the Senator from Nebraska that under the procedure I have outlined, when we take up some of the other bills, the Senator might consult further with the Chairman of the Committee on Agriculture and Forestry and with the acting majority leader and the minority leader. I am certain that we will try to work out a plan which will meet the needs of the situation and the legislative requirements.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. AIKEN. As I understand, the bill introduced yesterday by the Senator from Nebraska directs and requires the Secretary of Agriculture to go into the business of buying cattle in large numbers. There has been no opportunity to hold hearings on that bill. Many persons would be affected by it if it were enacted. There has been no opportunity to refer it to the Department of Agriculture and to obtain the Department's views on it.

If action is delayed on the drought relief bill in order to consider the bill offered by the Senator from Nebraska, a great number of cattle will starve to death in some areas of the country, and many hard hit farmers will lose much

more money than they have lost so far.

It is up to the Senate to decide whether it wishes to proceed with emergency legislation to help people who today are in desperate need, or whether it wishes to consider not only the proposal of the Senator from Nebraska, but also many other proposals for solving all the ills of American agriculture. I hope there will not be a delay in acting upon the proposed legislation. The committee has done everything possible to keep the speculator out of the picture.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Vermont permit a question?

Mr. AIKEN. Certainly.

Mr. JOHNSON of Texas. I wish to ask the distinguished Chairman of the Committee on Agriculture and Forestry if it is not true that the Secretary of Agriculture now has authority to buy cattle, if he deems it necessary.

Mr. AIKEN. The Secretary of Agriculture has full authority, and plenty of money with which to buy live cattle, if he believes that is the advisable course to pursue.

Mr. CARLSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. CARLSON. I sincerely hope there will be no delay in procuring action on the legislation proposed by the Senator from Vermont, who is Chairman of the Committee on Agriculture and Forestry. If I may make a suggestion, if the distinguished Senator from Nebraska [Mr. GRISWOLD] has his amendment drafted, he might well have it mimeographed, in order that Senators might see it, because I think it ought to be considered.

Mr. KNOWLAND. That is what I was proposing. However, I feel that, because of the emergency needs of the situation, the drought relief bill should be made the unfinished business of the Senate. I am willing to ask that it be temporarily laid aside, and to take up a number of minor bills that are before the Senate. By the time action is concluded on those bills, I hope the distinguished Senator from Nebraska can have his amendment prepared.

Mr. AIKEN. I might say that we have had requests from many people who wish to get in on the program. Recently I received a good many identical telegrams from bankers in Oklahoma, asking that the loans be required to go through them, and asking that they be guaranteed a margin of profit to handle the loans.

The committee has had requests from grain dealers in the drought area that the grain be handled through them, and they assumed the Government would cover the expenses, at least, or possibly a little more.

Everybody wants to get a hand in the situation confronting the Southwest farmers. Every hour we delay makes it just that much harder. I do not understand the thinking and the working of the minds of some people who, when disaster strikes their neighbors, even if they are a thousand miles away, try to find some way to profit by it.

Mr. GRISWOLD. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. GRISWOLD. In my judgment, we are doing no good to the cattlemen to lend them more money, unless we give them some hope for higher prices for their cattle in the future. To lend a cattleman money does him no good unless it brings about an increase in the value of the cattle. In my judgment, what is offered is a little opiate, to make them feel that Congress is doing something for them. It does not guarantee that grass will be brought back to the grazing lands of the Southwest. It does not offer any hope of bringing about a higher value for the cattle. In my judgment, it would not really accomplish that which needs to be done.

I point out also that while the bill may be a means of keeping alive some breeding herds in the drought area, nevertheless it was not the drought area that brought about the radical reduction in the value of cattle in all parts of the United States.

Mr. JOHNSON of Texas. Mr. President, will the Senator permit a question?

Mr. GRISWOLD. Certainly.

Mr. JOHNSON of Texas. I agree generally with what the able Senator from Nebraska is saying with regard to the help that loans would afford. I, too, think the relief proposed is only a little opiate. But the distinguished chairman of the Committee on Agriculture and Forestry has assured the Senate that the Secretary of Agriculture has authority to buy cattle, and has the money to pay for them, if the Secretary will only exercise the authority.

Upon checking the record, I find there is ample precedent in the Department of Agriculture for using the customs funds that have been set aside by section 32 for the purchase of cattle. It seems to me it is not necessary for the Senate to hold up the emergency measure in order to have printed an amendment that would give the Secretary of Agriculture authority he already has and funds he already has. If we could only get him to act, that would be all that would be necessary. No new authority or new money is needed.

Mr. AIKEN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I will yield in a moment. I only wish to say at this point that, in accordance with the proposal the acting majority leader has made, I assume the minority leader would have no objection to taking up a few minor bills, so that the Senator from Nebraska might have his amendment prepared. The Senator from Nebraska is entitled to have debate and discussion on the amendment. Therefore, I hope the distinguished Senator from Nebraska will not find it necessary to continue to object to making the bill the unfinished business.

Mr. GRISWOLD. May I ask the acting majority leader at what time Senate bill 2267 will be before the Senate?

Mr. KNOWLAND. I think I can assure the distinguished Senator that he will have a full 2 hours before we reach the consideration of that bill.

Mr. GRISWOLD. With that understanding, I shall not object.

Mr. KNOWLAND. I am glad to make a commitment to the Senator at this time, that the bill will not be taken up before 3:10 p. m. today.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. AIKEN. What the Senator from Texas [Mr. JOHNSON] has said about there being ample precedent for the purchase of live cattle may be true. However, we would have to go back about 18 years, to 1935, when live cattle were purchased by the Government. As I understand, the plan did not work very well at that time.

The bill of the Senator from Nebraska calls for the Government to pay not less than 10 cents a pound for canners and cutters. I might point out that that grade of animal was selling at from 9 to 11 cents a pound on the Chicago market yesterday, an increase of about 50 cents a hundred from the day before. So the urgency would not be apparent, except in the disaster area itself.

Mr. GRISWOLD. Mr. President, will the chairman of the Committee on Agriculture and Forestry yield for a question?

Mr. AIKEN. I do not have the floor.

Mr. KNOWLAND. Mr. President, with the unanimous consent of the Senate I ask that the distinguished chairman of the Committee on Agriculture and Forestry be permitted to respond to a question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRISWOLD. Does the Senator from Vermont realize that the bill which I introduced yesterday, and which will be approximately what I shall propose as an amendment today, makes it mandatory for the Secretary to institute the program?

Mr. AIKEN. Yes.

Mr. GRISWOLD. It does not leave it entirely to his discretion.

It also provides that he shall pay not less than 10 cents a pound. In other words, the purpose of the bill is to get out of the market much of the breeding stock of the Nation, which is bringing about depressed prices. That affects the question of credit. If the cattlemen of the Southwest knew that there was real value in the cattle, as there was 2 years ago, they would not need this bill in order to obtain credit. The banks all over the Nation are running over with money. I do not have the figures for the State of Texas, but I feel confident that the banks in that area have plenty of funds to make loans. However, there is no confidence in the future market in that area. So we are not doing any real, constructive good to the cattlemen in the drought area.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. ANDERSON. When we consider the bill, I think there will be great value in discussing the very point which the distinguished Senator from Nebraska has made. There are at least 10 million too many cattle in this country at the

present time. We shall never solve the problem unless we deal with breeding herds.

I am hopeful that, while we may have discussion, we may reserve that question for consideration by the committee, and that we shall have an opportunity to pass the emergency bill this afternoon. I recognize the fact that the distinguished Senator from Nebraska has a perfect right to offer his amendment. It may carry. I shall not be outraged if it does. But, I believe we need to have full discussion of what has brought about the lack of confidence in the cattle market at the present time.

I am happy that the distinguished acting majority leader has set a time for consideration of the proposed legislation, so as to allow sufficient time for the Senator from Nebraska to present his amendment and allow opportunity for full discussion of it.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. POTTER in the chair). Does the Senator from California yield to the Senator from New Hampshire?

Mr. KNOWLAND. I yield.

Mr. TOBEY. I should like to address a question to the Senator from Nebraska [Mr. GRISWOLD].

Is the Senator from Nebraska offering a proposal to spay the heifers?

Mr. GRISWOLD. Yes.

Mr. TOBEY. That reminds me of Henry Wallace back in 1933. He advanced a similar theory before the House Committee on Agriculture. He wanted \$3 million to sterilize the cows on the range. I said, "What nonsense, Mr. Secretary. There is a better way of doing it. Do not spay the heifers, but castrate the bulls. That is the way to handle the problem."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California that the Senate proceed to the consideration of Senate bill 2267, to provide additional emergency assistance to farmers and stockmen, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

INCREASE IN LIMIT OF EXPENDITURES FOR THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar 395, Senate Resolution 115.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 115) increasing the limit of expenditures for the Select Committee on Small Business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with an amendment, to strike out all after the word "Resolved" and insert:

That the authority of the Select Committee on Small Business under Senate Resolution 329, 82d Congress, agreed to June 12, 1952, in carrying out the duties imposed upon it by Senate Resolution 58, 81st Congress, hereby is extended to June 30, 1954, inclusive.

The expenses of the committee under this resolution, which shall not exceed \$32,000, in addition to the unexpended balance authorized under Senate Resolution 329, 82d Congress, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDING OFFICER (Mr. TOBEY in the chair). The Chair will announce that Senate Resolution 115 is before the Senate. The question is on agreeing to the committee amendments.

Mr. ELLENDER. Mr. President, when the pending resolution came up on the call of the calendar a few days ago, I objected to its consideration, with a view toward placing before the Senate certain data which I have in the meantime gathered with respect to the amount of money that has been spent by the committee from its inception. It will be recalled that since the small-business group was created in 1940, it has done considerable work as an investigatory committee. During the 81st Congress, the committee was made permanent. As chairman of the Legislative Subcommittee of the Committee on Appropriations, I was instrumental in providing that the committee should have each year the same amount of funds to spend as any standing committee has. When that was done it was my understanding that the committee would perform its normal functions with the same sum of money as allotted to standing committees.

Since that time, extra funds have been requested each year in order to provide more jobs for the committee. It strikes me that the amount of money that has been allocated to the committee since it was reorganized should be sufficient. It can spend, under the present rules, as much as \$95,000 per year for salaries. It can also spend, as any other committee can spend, \$10,000 for the purpose of conducting investigations. Today the committee is asking for a total of \$50,000, \$18,000 of which is carried over from last year, plus a new appropriation of \$38,000.

I should like to place in the RECORD at this point, Mr. President, a memorandum showing the amount of money spent by this committee since its inception. During the first year it began to function—in 1941—it spent \$6,233.05. The next year the committee spent approximately \$12,000. During 1943 expenditures totaled \$51,000. In 1944, it spent \$38,000. In 1945 the committee spent \$66,000. It kept on growing until, in 1946, it spent \$134,000. That year, Mr. President, was the banner year for Small Business Committee expenditures.

In 1952, a period since the committee has been reorganized on a permanent basis, it spent \$138,054.40.

I should like to ask my good friend, the Senator from Minnesota [Mr. THYE], what he intends to do with the additional funds he requests today. As I understand, the committee has already employed four specialists who receive the highest salary paid by standing committees for professional staff members. I understand that, in addition, the committee has six clerks.

The purpose of the resolution, as I understand it, is to enable the committee to add an investigator, two additional professional staff members, and another clerk to its staff; a sum of \$20,000 to be spent on travel, office supplies, and so forth, would also be available.

I wish my distinguished friend from Minnesota would tell us what he proposes to do with the money, and whether, as chairman of the committee, he will see to it that in the future the committee will live within the budget funds allocated to it each year, just as the standing committees do.

Mr. THYE. Mr. President, I shall endeavor to answer the Senator's questions.

I assumed the chairmanship of the committee in the calendar year 1953. Of course, I cannot account for what was spent in previous years. Last year the Senate appropriated to the committee \$60,000, as a special fund. One reason why the committee has requested the special fund is that the workload imposed upon it, in helping small-business men obtain subcontracts as well as prime contracts under the national defense program, has compelled the committee to develop a staff that has the ability to assist such businessmen.

Mr. ELLENDER. Will the Senator from Minnesota outline the kind of work that is done?

Mr. THYE. It is almost impossible to outline it. A businessman may be endeavoring to obtain a subcontract or a prime contract from the Department of Defense, and perhaps he gets nowhere in his endeavor. He contacts the Department and tries to obtain information about a contract which is to be let, but he is unable to obtain the necessary information from the Department; and the information it does send him is so voluminous that he cannot understand it, and he cannot afford to employ a technical assistant to help him.

So he makes a telephone call to Washington.

This morning, for instance, I received a telephone call from a small-business man, who asked, "Can you help me obtain some of the information I must have?"

I could not take time for that out of my full schedule, so I had to call on the staff of the Small Business Committee, to whom I gave the details I had received during the telephone call; and they proceeded to make the contacts for that person.

Mr. ELLENDER. Why cannot Senators do that work for their constituents? I do it every day. It is very seldom, if at any time, that I call on the Small Business Committee.

Are we to understand that the Small Business Committee is a go-between for

contractors and various agencies of the Government?

Mr. THYE. I will not say it is a go-between. I must say that the Small Defense Plants Administration is another Government agency that is assisting the small-business men to obtain contracts.

Mr. ELLENDER. That work is in addition to the work the Senator from Minnesota has just indicated is being done by the Small Business Committee, is it not?

Mr. THYE. Both the Small Business Committee and the Small Defense Plants Administration are endeavoring to help the small-business men in these trying times, when the Government is doing so much business in its national-defense activities.

I wish to say, further, that not only are there involved activities in trying to procure contracts for businessmen across the Nation but, in addition, the committee has held extensive hearings on the question of the nonscheduled plane operators versus the scheduled plane operators who are engaged in commercial flying. We have had to assign committee staff members to that work, and we have held hearings on it.

Another subcommittee has held hearings because of a controversy and question raised by the independent movie operators, who were unable to obtain current, desirable films unless they were willing also to enter into contracts for the showing of undesirable films. In order to develop the facts in that situation, we had to have a subcommittee proceed with hearings and an extensive study of the matter. It required the use of committee personnel.

Mr. ELLENDER. Would it not be possible to do all of that with the staff that ordinarily is provided the committee?

Mr. THYE. It was not possible last year. I was not chairman of the committee at that time, nor was the Republican Party the responsible majority party at that time. The committee was then under the control of the Democratic Party, of which the Senator from Louisiana is a member.

Mr. ELLENDER. Yes, but I objected very strenuously when the request was made last year for additional funds.

Mr. THYE. At that time Congress appropriated \$60,000 as a supplemental fund, in addition to the regular committee fund.

There might be further justification for the supplemental fund now requested, in view of the present trying times, when we are so actively engaged in defense preparations. For instance, the committee is not provided with telephone service free of charge, although the standing committees are provided with free telephone service.

The Small Business Committee does not receive the funds the standing committees receive. That is one of the problems with which the committee has been faced.

Of the \$60,000 which was appropriated last year as a supplemental amount to the regular appropriation, the committee turned back \$18,000.

In the resolution we are requesting only \$50,000. The Committee on Rules and Administration recommended, as an amendment, that the \$18,000 unused balance be reappropriated, and that \$32,000 be appropriated in addition, making a total of \$50,000.

I assure the Senator from Louisiana that this fund is not for the purpose of hiring additional staff. Since I became chairman of the committee, I have continued the staff which was employed by the committee when its chairman was the Senator from Alabama [Mr. SPARKMAN]. I did not terminate any committee employment, other than that of some clerks who I felt were not necessary. Otherwise, I continued the former staff, because I recognized that they were able and efficient. I did not request their resignation, in order to give employment to Republican friends. Instead, I continued the committee staff in the way it had been constituted by the Senator from Alabama. The only person I placed on the committee staff was an attorney, to fill the position of an attorney who resigned soon after I became chairman of the committee.

So, the pending resolution is not for the purpose of packing the staff with political friends. It is simply for the purpose of making it possible to carry on the activities of the staff, in handling the workload, which I know will develop, in view of our past experience with requests of businessmen for assistance by the Small Business Committee in connection with many complex problems, as they deal with the various governmental agencies that are letting military contracts.

Mr. ELLENDER. As I stated a while ago, however, the Senator agrees that the amount of money now being requested is to be used in order to put additional people on the payroll as professional or clerical assistants, in addition to the complement that is allowed a standing committee. Is that not correct?

Mr. THYE. That is correct, with the modification that it is to keep the present staff on the roll. At the present time the people about whom we are talking are members of the staff, and have been on the staff for some time. Since the resolution has been held up, the chairman has kept his fingers crossed, because, if the resolution is not agreed to by July 15, there will be some unfortunate people, since the members of the staff will not be paid; and I have therefore kept them on.

This resolution is not for the purpose of adding new people to the staff. I am continuing the staff that was employed and that served the committee last year, with the exception of those who have resigned to take other positions. Unfortunately, two members of the staff have resigned. I was most unhappy when the last one resigned, because he was one of the best members of the committee staff. He resigned to take a better position with the Government. Therefore, I am continuing the staff that my Democratic friends, as members of the committee, had, with the exception

ferent. The consequences of any limitation on broadcasting are entirely different with respect to the two sports.

The problem in baseball is the killing off the supply of baseball material through the destruction of the minor leagues and the smaller teams which ordinarily depend on the gate receipts for their life.

The football leagues are dependent for their recruitment on the colleges and high schools of the country. Their material is prepared for them without any cost whatever. The broadcasting of football games does not have any effect on the supply of material.

I may say to the Senator from Illinois that there is an opinion of the Supreme Court of the United States—and it is one of the most recent cases decided—that baseball is not commerce within the purview of the antitrust law but a sport. That decision has never been in any way qualified or reversed by the Supreme Court or by any inferior court.

The Department of Justice on its own initiative started the program of attempting to prohibit broadcasting of football, and brought the suit to which the Senator from Illinois [Mr. DIRKSEN] has referred. They proceeded to ask the Commissioner of Baseball—Mr. Chandler at the time and I believe it was in 1949 or 1950—for all the data in regard to organized baseball, so that they might eventually proceed in the same manner against baseball, with the idea of preventing restriction, limitation, control, or prevention of contractual arrangements in respect to the broadcasting in minor-league territory of the games of major-league baseball teams.

As a result of that threat of action on the part of the Department of Justice, organized baseball repealed rule 1-d, which was restricting the broadcasting of major-league games and was protecting the minor-league clubs in the various communities in the Nation.

So at the present time it is not proposed that anything be done to the antitrust laws. The proposal is simply that we confirm the decision of the Supreme Court of the United States in this matter, in order to satisfy organized baseball that baseball can be played as a sport without restriction by the antitrust laws.

The consequence of that action by the Department of Justice was disastrous, so far as baseball was concerned. Five years ago there were 35 minor-league baseball teams in my State of Ohio. Today there are only 2 minor-league teams in Ohio, as well as 2 major-league teams; and they are not supporting themselves by their receipts.

So we are permitting the destruction of the minor leagues, which are the training ground of the players. Also, we shall ultimately cause the destruction of the major leagues, which are dependent upon minor leagues for their players. In doing so we shall do irreparable damage to one of the greatest sports in the world. Baseball is our national game. It is the game that all the kids have played on the sandlots in years gone by. We know the great personal benefit and development that have resulted from the playing of this game, which not only creates team spirit,

but also fosters and develops initiative and self-reliance on the part of the individual players.

So, Mr. President, at this time I think we should give earnest consideration to the bill, which has been introduced by the Senator from Colorado [Mr. JOHNSON]. The action proposed in the bill will be definitely in the national interest.

Enactment of the bill will not result in the doing of damage to the broadcasting stations. They had a representative at the hearings, but at that time he did not even introduce any testimony, as I recall.

Mr. JOHNSON of Colorado. That is correct.

Mr. BRICKER. That representative has been a personal friend of mine for many years. He said to me that they might submit a letter. That was all they planned to do, although they had ample time to read the bill and to confer with the broadcasting stations and to determine what possible detriment might result to them from enactment of the bill. They are not dependent upon the broadcasting of baseball games for their life or perpetuation, but baseball is dependent upon adequate protection, if it is to survive.

Baseball is now being killed off rapidly, and will be entirely killed off if we do not give it the protection the Supreme Court already has given it.

Mr. DIRKSEN. Mr. President, will the Senator from Ohio yield to me?

Mr. BRICKER. I yield.

Mr. DIRKSEN. The thought expressed by the Senator from Louisiana [Mr. LONG] when he asked, "What proof is there that such broadcasts have had a disastrous effect upon baseball?" also occurred to me. In the hearings I found testimony along that line, but in my opinion it was not conclusive. So it is a matter of opinion as to whether such broadcasting of baseball games has had on the minor league teams the effect that has been ascribed to it.

With respect to the broadcasts, I assume that every Senator has received a memorandum from the Association of Broadcasters indicating its opposition to the bill. The small broadcasters throughout Illinois have telegraphed and written to me of their opposition to the bill. So certainly there is some opposition.

Finally, Mr. President, let me say that if the action is proposed to be taken in the interest of baseball why should not similar action be taken in all other cases in which a similar situation might be involved? Why should not similar action be taken in connection with pageants, concerts, and all other kinds of entertainment, instead of singling out one recreational sport from the entire field of entertainment in the United States?

Mr. BRICKER. Mr. President, I doubt that the Senator from Illinois could cite for our consideration any activity except football which parallels, but does not equal in importance, baseball. I doubt that any other sport or activity in the Nation is in a similar situation. If there is one that is in a similar situation, I, for one, would be

in favor of exempting it also from the antitrust laws.

Certainly there is no sanctity or sacredness so far as the antitrust laws are concerned. They were enacted in the public interest. I am concerned because I believe the overall public interest is being damaged by the action of the Department of Justice, in its attempt to enforce the antitrust laws in this field, to which the Supreme Court has said the antitrust laws do not apply.

Mr. DIRKSEN. Mr. President, will the Senator from Ohio yield for a further question?

Mr. BRICKER. I yield.

Mr. DIRKSEN. I think the Senator from Ohio will agree that when the major leagues issued the so-called rule 1-d, they submitted it to the Department of Justice for an opinion. I believe everyone interested in the bill will bear me out when I say that the Department of Justice said that such activity could or might constitute a conspiracy in restraint of trade.

Consequently, we are now asked to take action on a piece of proposed legislation which, if enacted, would nullify the effect of that very informal opinion, and would give the stamp of approval to something which otherwise would constitute a conspiracy against the antitrust law.

The PRESIDING OFFICER. The question is—

Mr. BRICKER. Mr. President, has my time expired? I reserved the right to object, in order that I might speak for 5 minutes. Has that time been consumed?

The PRESIDING OFFICER. Yes.

Mr. BRICKER. I thank the Chair.

DESIGNATION OF ACTING SERGEANT AT ARMS OF THE HOUSE OF REPRESENTATIVES

The PRESIDING OFFICER. Is there objection to the request for the present consideration of House Joint Resolution 292, authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives? The Chair hears none.

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 292) authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives.

The PRESIDING OFFICER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

PROGRAM FOR THE REMAINDER OF THE WEEK

Mr. KNOWLAND. Mr. President, for the information of the Senate, when the Senate completes its business this evening it is anticipated that it will stand in recess until 12 o'clock noon tomorrow.

It is quite likely that tomorrow there will be a session in the evening, as well as sessions on Friday and Saturday.

Pursuant to the prior announcement, we hope that some time tomorrow the Senate will go into executive session to consider the second group of treaties, dealing with tax and debt matters. The status-of-forces agreements will not be taken up tomorrow, but we anticipate that they will be taken up later this week or early next week.

In the meantime, when action has been completed upon the pending legislation, it is the intention of the acting majority leader to move that Senate bill 16, Calendar No. 153, be made the unfinished business. This is a bill with respect to which a commitment was made by the majority leader, the Senator from Ohio [Mr. TAFT] some time ago to the Senator from Nevada [Mr. MCCARRAN] to take up the bill. It is a bill dealing with the immunity of witnesses appearing before congressional committees. From all indications, it is controversial. At least there are varying points of view with respect to it. At any rate, the commitment had been made that the bill would be brought up and the Senate given an opportunity to express itself on the proposed legislation.

During the time that discussion is under way, or after it has proceeded for a period of time, the acting majority leader plans to ask the Senate to go into executive session to consider the treaties to which I have referred.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Does the Senator expect to have the Senate meet at the regular time tomorrow?

Mr. KNOWLAND. Yes.

Mr. President, with the further consent of the Senator from Vermont, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

Mr. KNOWLAND. Mr. President, pursuant to the yielding on the part of the Senator from Colorado, I now request the regular order.

The PRESIDING OFFICER. The regular order has been requested; and the Chair lays before the Senate the unfinished business, Senate bill 2267, to provide additional emergency assistance to farmers and stockmen, and for other purposes.

The bill has been reported with certain committee amendments, and the first amendment of the committee will be stated.

The first committee amendment was, on page 1, in lines 3 and 4, after "1949", to strike out "(63 Stat. 43, as amended)" and insert "(63 Stat. 43), as amended."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the first amendment of the committee.

Mr. AIKEN. Mr. President, I should like to say a few words about the bill before the vote is taken on the amendment.

The pending bill would authorize the Secretary of Agriculture to make loans to farmers and stockmen who are in financial distress.

There are really two parts to the bill. At the present time loans can be made to farmers who are suffering from production disaster in areas which have been proclaimed disaster areas. The proposed legislation would also make those farmers in disaster areas, who suffer from economic disaster, particularly unwarranted and very sharp and deep price declines, eligible for loans.

The proposed loans could be made to any type of farmer, whether the producer of crops or livestock, or whatever he may be producing.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from Wyoming.

Mr. BARRETT. I should like to ask the Senator if he would have any objection to an amendment adding the words "and feeders" after the words producers in line 25, page 2, of the bill.

Mr. AIKEN. I have not quite reached that part of the bill yet. I was discussing section 2 (b), found on page 2 of the bill. That is the part of the bill which provides for loans to any type of farmer suffering from economic disaster in an area which has been made a disaster area under Public Law 875. Section 2 (c) provides for special livestock loans.

I shall take the bill up line by line. There are a few matters I wish to point out, and others will be brought up in the discussion.

Mr. BARRETT. I hope the Senator will tell the Senate, during his discussion, if section 2 (c) is meant to apply to economic disaster loans to livestock.

Mr. AIKEN. I shall come to that in a moment.

First, let me say that it is not proposed that loans shall be made for the purpose of permitting anyone to embark in the field of agriculture or to expand operations if they are already engaged in agriculture. The purpose of the proposed legislation is to keep bona fide farmers who are now on the land in business so that they may continue producing and make a decent living for themselves.

The loans under section 2 (c) will be from \$2,500 up. I have been asked why the bill does not authorize loans of less than \$2,500 for the accommodation of small farmers. It is because we are assured by the Department that the Farm-

ers' Home Administration already has sufficient authority to make small loans. In fact, it can make production and subsistence loans up to \$7,000, but in this bill we made the minimum \$2,500 so that loans above such amount could be made from a special revolving fund, which the bill authorizes to be augmented.

I now come to the question raised by the Senator from Wyoming. As the bill was reported by the committee, section 2 (c) provides that loans may be made to producers of cattle, sheep, and goats who have a good record of operations. The question raised by the Senator from Wyoming was, Why do we not include feeders? Feeders were not included by the committee because a line had to be drawn somewhere as to where the making of loans would stop.

The bill as originally drawn provided for loans to "ranchers or stockmen, including corporations or associations engaged in the business of financing cattle if they are owned and controlled by ranchers and stockmen engaged in the business of buying and selling cattle."

That provision, which would have included feeders was stricken from the bill and the committee language substituted. Personally I have no very strong feeling with regard to it. I can see some advantages if bona fide feeders who are established in the business are permitted to come under this program.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield further?

Mr. AIKEN. I yield.

Mr. BARRETT. I appreciate the position taken by the Senator, but I should like to say that, in my judgment, the producer and the feeder are engaged in one overall operation, namely, to furnish finished beef for the market, and if the financing of the feeder is left out of the operation of the bill, we would not have any assurance at all that the producer of steers would have a market for his steers next fall.

I am very happy the Senator has agreed to an amendment and, at the proper time, I shall move to amend the bill by inserting after the word "producers" in line 25, page 2, the words "and feeders."

It seems to me that would give the Secretary all the authority he would need in order to make loans to help the industry at the present time.

I may say further to the Senator from Vermont that for the past 2 years the cattle feeders generally speaking have suffered greater losses than the growers and producers.

Mr. AIKEN. I will say to the Senator from Wyoming that I, of course, have no authority to accept his proposed amendment. There are several other amendments proposed by the committee.

When the question of extending loans to others than the persons who actually produce the livestock was brought up yesterday there was no pronounced feeling about it. The word "feeders" was omitted because we decided to confine the loans principally to those who were living on the land and who depended on the land for their living and who made their home on the land.

I can see the logic in the Senator's argument, however, that in many cases it

may be necessary to maintain a market for the feeder cattle produced by the man who lives on the land himself. As I say, I have no serious objection to it personally, but I cannot speak for the committee.

Mr. CASE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. CASE. Mr. President, I think the Senator from Vermont has placed his finger upon the key to the situation when he uses the phrase "maintain a market" for the grower. If the feeder is unable to conduct his regular operations, then the market is destroyed for the grower of feeder cattle. I hope the Senator from Vermont will support the amendment when it is offered.

I may say, further, that there are still some areas where farmers are in a distressed condition, because of the crash in the price of cattle during the period they have owned the feeder cattle, and some of them, in order to finish them to proper condition for the market, need supplemental assistance.

Mr. AIKEN. I realize that there are many farmers who, as a part of their regular farming operation, buy feeders and carry them through to heavier weights before marketing them. Under the bill, any type of farmer in a disaster area would be eligible for a loan.

Mr. CASE. That would require certification by the governor and a declaration by the President; would it not?

Mr. AIKEN. That is correct. The bill provides: "if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources."

The Secretary finds that there is an economic disaster in the area, after the President has determined that Federal assistance is required in the area, as a disaster area under Public Law 875.

Mr. CASE. In line 9, page 2, the phrase used is "for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds," and so forth.

Mr. AIKEN. That is correct.

Mr. CASE. So, I think an amendment is really needed to subparagraph (b).

Mr. AIKEN. In case of a natural disaster the governor of the State has to request the President to declare a disaster area.

Mr. CASE. In my opinion, there are as large farming operations in those areas as can be found in the so-called Corn States.

Mr. AIKEN. In the Corn States farming seems to be good. It is in the range country where they are really having difficulty.

Mr. CASE. The farmers have been affected in the corn area by what has occurred in the disaster areas. When I drove home in the latter part of May, I noticed in the area around Sioux City, Iowa, some very large feeding operations. Many farmers had been feeding in northwestern Iowa and South Dakota. They had a great many cattle.

Mr. AIKEN. The man who pays 35 cents a pound for feeders and sells them at 22 cents a pound is going to lose money.

Mr. MORSE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from Oregon.

Mr. MORSE. I thank the Senator from Vermont for his very fair and enlightened discussion of the amendment of the Senator from Wyoming. If the Senator from Wyoming does not object, I should certainly like to associate myself with his amendment.

I think this discussion and the comments of the Senator from Vermont [Mr. AIKEN], the Senator from Wyoming [Mr. BARRETT], and the Senator from South Dakota [Mr. CASE] have brought out a needed clarification. We would certainly be dealing in artificiality in our consideration of many cattle operations if we tried to draw a line of distinction between producer and feeder operations. Many producers are feeders and conduct feeding operations to supplement their own herds, without ever placing the cattle in a so-called feed pen. They may finally, for the finishing of the beef, in turn sell the animal to a feeder, who will finish it in a pen.

Oftentimes in many sections of the country feeding operations are carried on really by a producer, who supplements his herd by going to Baltimore, for example, if he lives in this area, buying 2 or 3 carloads of cattle for feeding purposes, turning them out to pasture, and doing what feeding he does in his own barnyard and pastures.

I think the Senator from Wyoming brought out very clearly that it is a mistake to treat the so-called feeder as really a nonagriculturist or nonfarmer. The feeder is very definitely engaged in agricultural operations, and his operations have many ramifications, too, if one wishes to ascertain the sources of his cattle.

All I wish to say in support of the amendment is that the feeding operation is one upon which the cattle producer or breeder is highly dependent. If a bill is passed which seeks only to benefit the producer, and excludes the feeder, we shall find we are not helping the producer as much as we thought we were, because if he does not have the feeder to rely upon for a good price market the legislation we are asked to pass will not be of adequate assistance to him. I think it very important, in the interest of fairness to the totality of cattle operations, that we do not draw lines of distinction between producers and feeders.

As the Senator from Wyoming has pointed out, what the feeder does to cattle is of great importance to the American consumer. We ought to pass a bill which will accomplish the economic ends we desire wherever disaster areas exist. What are those ends? First, there is the desire not to waste beef. If we do not include feeders in the legislation, we shall, in fact, establish a policy, in my judgment, that will be economically wasteful.

I am glad to hear the comments of the Senator from Vermont, because they

show that he recognizes that danger. I hope that when the amendment is called up, we can have a full debate on it, because I believe it to be a very important amendment.

Mr. AIKEN. Mr. President, there is much logic in the arguments of the Senator from Wyoming [Mr. BARRETT] and the Senator from Oregon [Mr. MORSE]. The committee was concerned with eliminating the speculator from the picture to the fullest extent. We did not wish to do anything to encourage people to go into the market for low-cost livestock with the hope of feeding them and selling them at a higher price later on. We did not want to encourage the "sideline" farmer, or the type of farmer found in many of our cities, including Washington and others, who goes into the country, and, on hired land, engages in the livestock business and loses his shirt, if not his land. We did not want to encourage people to do that again.

I realize that we cannot write a bill that will be absolutely fair to everybody, or that will result in equal treatment for everybody. I do not believe we can enact legislation that cannot be abused; but we can hold the abuse to the minimum. It is entirely possible that we may have been too close to the line in our efforts to make sure that, in the main, the man who actually lives on the land shall be personally concerned.

Mr. THYE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. THYE. I am very much impressed with this subject. There is no question that there is merit in the amendment offered by the Senator from Wyoming [Mr. BARRETT]. The Senator from Oregon [Mr. MORSE] made a very pertinent observation when he said there is a need for the feeder to be included in the operation. In order to find a ready market for cattle raised in the grazing areas, they must go to feeding lots to be finished.

But there is a feature which cannot be overlooked, namely, that this is emergency legislation. If it is emergency legislation, the President must declare an area as a disaster area. Once an area has been so declared by the President, the Secretary then must find that an economic disaster question is involved.

There are cattle-feeding operations in the area of Arizona, of Oregon, and throughout the West; but usually the feeding operation is confined to a valley where there is irrigation, where there is water, so that hay and other feed crops can be produced. But the great bulk of beef cattle feeding is done in the area where corn is produced. That area is not in a disaster region, and feeders would not be buying cattle to bring into that area, unless feed was available. So if an area is not declared to be a disaster area, how can the Secretary certify that the producers or the feeders in the area would be eligible for the type of loan provided for? We must confine that type of loan to the emergency situation, and the emergency is where there is drought.

These are questions which arise in my mind. I think that if cattle are sold so cheaply that Congress must enact dis-

aster legislation to keep them from being liquidated, the feeder has the advantage that he can go to the area and buy the cattle at a very reasonable price, ship them out, put them in his feeding lots, and feed them for 6 or 8 months. If yearling calves are involved, he may carry them for 2 years before he finishes them. If they happen to be 2-year-olds, he will try to finish them in 1 year. In that case it is only a speculator loan that is being provided. The speculator is only buying feeders in order to feed them and dispose of them. It is entirely a speculator loan that is being made available in such a case. The speculator can go to agencies in the Government at this time and obtain a speculator loan. Or he can go to his bank. If he has a history of ability to handle cattle in a feeding lot, there is no banker who will not lend him money, if he has a reputation of being a good feeder.

I would wager that the son of the Senator from North Dakota [Mr. YOUNG] could go to his local bank in North Dakota and borrow all the money he needed to buy feeder cattle. I am not in the habit of making wagers; but what I have said is simply commonsense. The same is true in my community. Anyone who has a history of knowing how to feed and care for cattle can go to the bank today and be financed by local lending agencies or by commission firms that will advance money for a man to take feeders at the yard, and repay the loan when the cattle come back finished.

Those are normal operations, and we cannot legislate in an emergency bill to cover that type of operation. If we do, we will have to cover, for instance, an area in New England, dry or wet, an area in Minnesota, dry or wet, or an area in Illinois, where the farmers might be producing a hundred bushels of corn to the acre. We would have to make the legislation cover the entire United States.

The proposal before the Senate must be recognized as necessary to meet an emergency situation, comparable to that which existed in Kansas and Missouri when the floods devastated that area. We should look upon this as emergency legislation, not simply as broad United States insurance undertaking to underwrite all loans made in all the feeding operations across the United States. If we do, we may have to pull our hats down to cover our faces when they get a little red at some future time. I think one of the greatest mistakes would be to provide blanket loan authorization in a bill such as this. It would afford great opportunity for abuse if we did not confine the bill strictly to a disaster or an emergency situation.

Mr. AIKEN. The saving grace in the matter referred to by the Senator from Minnesota is that only an established farmer or rancher would be eligible for a loan. He must show that he is unable to get money anywhere else, and that he is not using it for expansion of business, or to go into business.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ANDERSON. I heartily endorse what the Senator from Minnesota [Mr.

THYE] has just said. This is emergency legislation. If we take it out of that category, I think we face the possibility that it may not be acceptable legislation.

In the original legislation suggested by the Department of Agriculture, there was language to the effect that loans should be made to established ranchers or stock farmers. We were trying to make it a little broader, when we sought to apply it to producers of cattle, sheep, and goats. That permits the part of a man's operation which actually relates to production to become eligible. But I think when we put the money into commercial feed lots, it may become legislation which is far too broad for the emergency situation. I think we had better stay within the purposes of the bill. I agree with the Senator from Minnesota that there is danger if we go into the feed lots.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MORSE. Let me say by way of comment on the statements made by the Senator from Minnesota [Mr. THYE] and the Senator from New Mexico [Mr. ANDERSON] that I think they are broadening the objectives of the amendment far beyond what was anticipated. I think the Senator from Vermont cited words of limitation which are pretty clear. What the Senator from Wyoming [Mr. BARRETT] and the Senator from Oregon are concerned about is feeding operations in the disaster areas.

We are not talking about making loans available to feeders outside the disaster areas unless they are directly related to historic patterns of purchasing feeders from the disaster areas. We refer particularly to feeding operations in the disaster areas or to feeders who in the past have made a practice of buying their cattle from the disaster areas. Let no one suppose that feeders in the disaster areas are out of business merely because there is a drought in those areas. Much of the feeding is done with commercial feeds, anyway, with some roughage in addition.

What we are saying is that if we do not do something to help protect feeders in the disaster areas, we shall be putting them out of business. I think they are entitled to some consideration.

We are pointing out also that feeding operations are operations of degree—from the man who does his feeding by buying commercial cattle and putting them on acreage to fatten them on grass, with some supplemental feed in the feed racks in the pasture itself, or in a barnyard feeder. I understand that there are many feeders in the disaster area who did not produce their cattle. Then there is the so-called out-and-out commercial feeder in Oklahoma, Texas, and the rest of the other disaster areas. He needs to be protected. He is not the producer of the cattle. He is a commercial operator but his operation is of vital economic importance to the producer.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I think the man referred to by the Senator from Oregon is protected by the bill, but I now yield to the

Senator from Florida, who worked very earnestly in the preparation of the pending legislation.

Mr. HOLLAND. I thank the distinguished Senator.

I merely wish to make clear to the distinguished Senator from Oregon, who I think is completely right in the purpose which he advances, that that purpose is completely cared for in section 2 (b) beginning in line 4 on page 2 of the bill and extending through line 17. I think there is some confusion with regard to this bill, because of the fact that it has two completely different objectives and two completely different parts.

In the first place, the bill is a permanent amendment to a disaster relief measure, the same disaster relief measure which the Senator from Oregon and the Senator from South Dakota will recall was before the Public Works Committee for amendment only a few days ago, when both Senators were actively participating.

The permanent amendment, section 2 (b), relates only to the disaster area. Senators will recall that the governors of the States affected must first make request, and that the President must declare a particular area to be a disaster area, before such a disaster area ever comes into existence.

The purpose of section 2 (b) is to allow the making of economic-disaster loans in that area to everyone who comes within the category of established farmers or stockmen, for any agricultural purpose. Of course, it is an agricultural purpose to have feeding done, provided it is done by established farmers or stockmen in the area covered by the determination of the President.

In that same section it is declared that if the Secretary finds that economic disaster has followed the disaster of nature, and that, by reason of that fact, there is a great need for agricultural credit for a temporary period which need cannot be met from ordinary banks, and the like, the loans can be made for anything which might be regarded as ordinary agricultural credit, but only in the disaster area.

It was the understanding of the Senator from Florida, and still is, that the ordinary type of feeders in that area would be clearly covered.

A question arises, however, when we get to section 2 (c), which has a different purpose and covers a much larger area. It covers all the United States. It is based upon the understanding of the committee, after hearing the testimony coming from the Government agencies, and also from the industries affected, that, because of the economic disaster which has followed the drought conditions in such a large part of the Southwest, conditions amounting to economic dislocation exist, affecting the producers of cattle, sheep, and goats in a much larger area, probably throughout the Nation. In order to allow for emergency loans—and not all loans anywhere in the Nation, and only to producers of cattle, sheep, and goats, because the showing was that they were the ones who were adversely affected on the broader scale, that is, in the zones outside the disaster

areas—section 2 (c) was recommended for enactment. Emergency loans under that section would really be emergency loans. They would not be available except upon a showing that the producer was not able to get credit elsewhere, and except upon the willingness of the producer to render all his holdings subject to the debt which he created; and going even further as to corporate borrowers, if any should come forward, it was provided by the committee that the corporate borrowers would be required to encumber the personal credit of the owners in addition to their corporate credit.

So even section 2 (c) is by no means in any other category than emergency legislation, for a short period of time, and only for the purposes and under the conditions set forth, which would mean that anyone who could get credit otherwise would not want to come to that source, because he would have to encumber everything he had, to avail himself of this source of credit, and would have to be really in a critical economic condition as to his own affairs and his own business before he could show his right to participate. I believe any confusion that has existed has been due to the fact that these two sections cover completely different objectives.

Mr. MORSE. Mr. President, I ask unanimous consent that the Senator from Vermont may yield, so that I may ask a question of the Senator from Florida.

Mr. AIKEN. I believe the Senator from Florida has completely explained certain features of the bill. I might point out specifically that section 2 (b) authorizes loans to sheep farmers and stockmen for any agricultural purpose in the disaster area, whereas section 2 (c) authorizes loans to producers of cattle, sheep, and goats anywhere in the country. The first group would be only in the area that suffered both economic disaster and a disaster under Public Law 875.

Mr. MORSE. I want to thank the Senator from Florida for his clarifying statement, because it certainly helps the legislative history of the proposed legislation. However, I wish to ask a hypothetical question or two which I think will clarify the subject even further. At least it will clarify it from the standpoint of the cattlemen who have been in touch with me on the feeder problem. I can say, first, that his discussion of section 2 (b) is very helpful. I would assume there would not be any objections to including three clarifying words, namely, "including feeder operators." The fact is that the out-and-out feeders in these areas are disturbed as to whether or not they are included. By using the three words "including feeder operators" any doubt would remove within the disaster area.

The second point I want to make is raised by way of a hypothetical question, and it is purely hypothetical so far as locations are concerned.

Let us take a cattle operation in the State of the Senator from Oklahoma [Mr. KERR]. Ranch X has been raising cattle for years, and the owners have

been shipping 1,500 of them each year into Y's feed lot in Des Moines, Iowa, let us say. They do not have any partnership arrangement with Y, but they have a pretty good business understanding that Y's lots depend on X, and X depends on Y. Y is not in the habit of buying any feeders from any other source except X. Under section 2 (c), as explained by the Senator from Florida, it is now my understanding that if Y found himself in this hypothetical position where he could not get a bank loan and where he could not get any help at all from any commercial credit source, he could, under this act, specifically under section 2 (c), get his loan to carry the feeder load in the handling of the 1,500 head of cattle that he takes from ranch X in Oklahoma each year.

Mr. HOLLAND. That is not my understanding. My understanding is that section 2 (c) is confined in its operation to producers of cattle, sheep, and goats. It was limited so it would not apply to hogs, because there was no showing that the hog situation was affected on a nationwide basis because of conditions in the drought area.

It was not applicable to poultry. It was not applicable to other kinds of agricultural crops. Nor was it applicable to anyone other than producers who have a good record for operating, who are unable temporarily to get from recognized lenders, the credit they need, and have a reasonable chance of working out their difficulty. The requirements for security are so binding as not to be easy of fulfillment and not to be attractive to anyone who has any other place to turn.

It was the understanding of the Senator from Florida that the committee by its action did not mean that outside the disaster area people in the commercial feeder business would have access to loans under section 2 (c); but, to the contrary, they would not have access, the feeling of the committee—at least as understood by the Senator from Florida—being that feeders were in a position to get the benefit of the very low prices which prevail as to the producers, and that if there were a buildup which would encourage them to buy on a speculative basis, instead of helping to work out the big problem, it might hurt instead.

The Senator from Florida is only 1 member of the committee out of 12 or more who were present at the meeting, but it was his understanding that the action taken by the committee—and the Senator from Florida does not recall who made the motion upon this particular matter—was to rewrite the definitions included in section 2 (c) in the bill passed by the House, so as to preclude the very possibility that is covered by the hypothetical question stated by the Senator from Oregon; namely, that a feeder clearly outside the disaster area might seek to avail himself of the borrowing provisions of the act and borrow in order to buy cattle or sheep or goats from producers who were in a distressed condition and who were within the disaster area. That was the understanding of the Senator from Florida.

Mr. MORSE. If the Senator from Vermont will yield further, I will say that I believe I understand the Senator from Florida and that I also understand, as a result of his explanation, why we are hearing from some of the feeders. It is because of the variations in the feeder operations in the country.

I believe it is a mistake to assume that feeder operations in cattle follow a particular, limited, and fixed pattern. It is a very variable pattern. My hypothetical question raised the problem of the feeder who is just as affected by the disaster as though he had his feed operation in the State of the Senator from Oklahoma [Mr. KERR], in the disaster area. He is dependent on the cattle coming from that area. Another part of the problem—and I quite agree with the Senator from Florida that we should not be trying to assist the speculators—is that we ought to seek to provide relief for the feeder operator upon whom the producer in the disaster area is dependent, and help him in a way that he will not take advantage of the producer. I assume what we are trying to do is provide emergency relief so that the farmer will not have to sell for as little as the disaster market offers him. We are trying to work out a bill, if I understand it correctly, that will check the effect of the disaster on the market, and will hold up cattle prices in the disaster area, so that producers will obtain a fair return on their cattle. We are trying to provide relief so that the disaster will not have the effect of causing the liquidation of breeding herds and so that meat cattle will not be dumped on the market at bankrupting prices.

Of course, the facts of the individual case must be controlling. If the farmer can show that he is not a commercial feeder, but is a speculator, then he should not be entitled to relief. But if he has a historical pattern of purchasing relationship with ranch X in Oklahoma, so that practically all the feeding he does is in connection with cattle purchased from that ranch or from a few other ranches in the disaster area, and that therefore he is affected by conditions in the disaster area, although, as a matter of fact, he is operating near Des Moines, Iowa, he should fall within the provisions of the bill. He is as much a producer of meat—which we wish to reach the tables in the regular course—as is the breeder of the cattle. I say that such a feeder should receive the benefits of this measure.

Cannot we include in the bill some language which will have the effect of making such loans available to a feeder in Iowa if he can show on the basis of the facts—and such a showing would be his responsibility—that he himself is a victim of the disaster, just as much as is the breeder in Oklahoma? On the other hand, if the feeder cannot establish those facts, under subsection (c) of section 2 he will not obtain a loan. I do not wish to him to obtain a loan if he is a speculator.

Mr. AIKEN. Mr. President, I have been consulting with committee counsel, who advises me that by making an

addition to subsection (b), of section 2, so as to make it read, in part, "loans to established farmers and stockmen, including feeders, for any agricultural purpose in the area," and so forth, we shall neither add to nor detract from the effect, because the words "for any agricultural purpose in the area" would cover the normal feeder, anyway. If he were in an area determined to be a disaster area under Public Law 875, which in addition was suffering generally from economic factors, such as price declines, and a lack of cash with which to carry on the operations, and that certainly would be eligible to be declared by the Secretary an economic disaster area under section 2 (b). But if the farmer were 1,000 miles away, surrounded by well-to-do neighbors for a distance of perhaps 100 miles, I do not think he would or could qualify.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield to me?

The PRESIDING OFFICER (Mr. KUCHEL in the chair). Does the Senator from Vermont yield to the Senator from Florida?

Mr. AIKEN. I yield.

Mr. HOLLAND. I am glad the committee counsel has borne out the understanding I had as to the meaning of subsection (b) of section 2. I believe it is very clear that that subsection does apply to all agricultural operations in the disaster area, and that the addition of the words sought to be added by the distinguished Senator from Wyoming would neither add to nor detract from the effect of the provision.

Mr. AIKEN. That is correct.

Mr. HOLLAND. Personally, I would have no objection at all to adding those words which would include feeders at that point.

In regard to adding the same words to subsection (c) of section 2, let me say in speaking, not for myself, but for what I understood to be the purpose of the committee, that I understand it was the feeling of the committee that in most cases a feeder in an area remote from the disaster area would have benefited from, rather than have been hurt by, the disaster, in that not only would the price of the cattle he bought, if he bought cattle within the disaster area, be at a low level, but even the price of cattle available to him in a more local area would be adversely affected because of the magnitude of the disaster and the fact that its effect had brought reduction in the value of livestock throughout the Nation.

It was for that reason—namely, that we felt the feeder would be more a beneficiary than a sufferer from the disaster—that that action was taken in regard to the committee's recommendation on subsection (c) of section 2.

Mr. THYE and Mr. BARRETT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from Minnesota, and thereafter I shall yield to the Senator from Wyoming.

Mr. THYE. Mr. President, if this emergency measure will have the effect

we hope it will have, the market will immediately be firmed, because at the present time, with the heavy run of cattle from the disaster drought area, the result is to weaken the market. The psychological effect of the situation is to create a fear that the market will be weakened even further. The feeders are likely to say, "The bottom of the market for beef cattle has not yet been reached, and therefore I will wait before putting in my order." In that situation an abnormal condition is created, and the feeders postpone their purchases, with the result that the beef market is broken.

There is no reason in the world for beef prices to have fallen as low as they have during the past 8 months. While beef prices have been falling drastically, hog prices have risen greatly. They have risen to \$26 a hundred, although 14 months ago the price was \$15.65 a hundred. Fourteen months ago number 1 hogs going to the Chicago market from South St. Paul were bringing anywhere from \$15.65 to \$16 a hundred, whereas a year later the price of pork was up to \$26. However, during the same period the price of beef declined drastically. There is no common sense reason behind that market trend. Fear has caused the market for beef to decline markedly.

Therefore, if the emergency bill will have the effect, as I think it will, of reestablishing the necessary confidence on the part of the livestock feeders, they will buy feeders in the market, and there will be an end to the heavy offerings of beef to the slaughter centers.

The other effect of the bill, if enacted, will be, I believe, to free credit to the feeders who today have no credit. Then they will proceed to purchase the emergency feed which will be made available. They will buy the feed and will feed it to the cattle, and will hold the cattle in the feed lots until the rain returns. In that way a normal situation will be restored to the entire livestock industry.

When the normal situation is restored, the individual feeder—whether he be the Senator from New Mexico [Mr. ANDERSON] or any other feeder; I refer to the Senator from New Mexico simply because he is in the feeding business—will resume operations in the feeding business, and will feed the cattle he has on his feed lots, and will fill them out, preparatory to marketing them on a steady market. That is the purpose of the bill.

If emergency feed is made available to the drought-stricken area, I am willing to venture the guess—I am not an economist—that it will be only 5 or 6 months before the beef market will be refirmed in the way that the pork market has been refirmed. There is no reason why that should not occur. Today the people of the United States have the highest earning power in the history of the Nation, and there is heavy consumer demand for meat.

If the market had not been hurt last winter by political statements to the effect that, "Here is the depression that we have predicted under the Republican administration," there would today be a firmer price for beef. I am not attempt-

ing to indulge in political criticism, but it is true that any market reflects a fear or other psychological condition. For instance, from time to time the markets have been affected by the Korean war situation. When it was believed that a truce was imminent, the market broke. When it seemed that the war in Korea would be extended, the market firmed. That shows how a market reflects psychological conditions.

Therefore, I believe the pending measure and the provision for emergency feed will firm the beef market, with the result that beef prices will be such that the feeders will fill their lots with cattle and will proceed in the normal way in which they have been accustomed to handle their feeding operations.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. BARRETT. I am sorry that I find myself rather generally in disagreement with the distinguished Senator from Minnesota. In my judgment, the drought in the Southwest has complicated an already bad situation insofar as the price of cattle over the country, and has made it much worse.

Be that as it may, all of us favor giving aid and assistance to the drought-stricken area.

However, I have particularly in mind those in the Corn Belt of the Middle West who are both producers and feeders of cattle. As the Senator from Minnesota well knows, there are thousands upon thousands of small farmers who raise their own corn and run 50 or 75 head of cattle the year around, and also are in the market for 125 to 200 head of feeder steers in the fall of each year.

They are the customers of the growers and producers of the mountain States. The Senator is very optimistic about the situation this fall. I may say to him that I have heard from many people who are experienced in this particular business, and they are not nearly so optimistic as is the Senator. I may say the situation is not altogether one of fear. Cattle prices, as the Senator knows, have declined for the past 2 years. It is not a question of Republicans or Democrats. We had a terrific decline under the Democrats last year, and I think it is possible we shall have another decline this fall. Today we have more cattle than ever in our history. As of January 1 this year we had 93,600,000 head of cattle in this country, and the estimate is that we may have 100 million head by January 1 of next year. The increase is going to continue until our producers send more heifers and cows to slaughter.

Here is the situation. If we were to try to help only the producers, as provided in the pending bill, leaving the feeder completely out of it, and leaving out the man who is both a feeder and a producer, then I am afraid we would not have many customers for steers this fall; the feeders would find themselves going to the local bankers, and the banker would say, "Well, you did not do so well last year, or the year before; and if you want to get even you better buy those steers from the producers in Wyoming, South Dakota, Montana, or Colorado, you better get them for 10 or

12 cents a pound." That is the thing we are trying to guard against. It seems to me that this provision is a sound one.

Furthermore, Mr. President, the whole thing is a matter of discretion with the Secretary and of the committee that he is going to appoint, and with the officials that he appoints to administer this program. It seems to me that unless we find some way by which to finance the feeder in his operations, we will not be attacking this problem at the vital point.

Mr. AIKEN. Mr. President, I may say, commenting on the remarks of the Senator from Wyoming, that the producer-feeder is definitely covered by both sections of the bill, I may say the commercial feeder is not covered, but the producer-feeder is.

Mr. CASE. He is covered on the theory that he is a grower.

Mr. AIKEN. One reason why they are reluctant to pay higher prices for feeders is, I believe, that they can get \$1.60 a bushel for corn in the form of a loan; and they are not going to pay high prices for feeders, whether they get a loan or not, if they can get more for their grain by following some other course.

Mr. BARRETT. The Senator is entirely correct about that. But do I correctly understand the Senator to say that a feeder would be eligible for loans for feeding purposes under both subsection (b) and subsection (c)?

Mr. CASE. If he is a grower.

Mr. AIKEN. If he is a producer-feeder.

Mr. BARRETT. What I was fearful of was that the loan would be restricted to that part of his operations pertaining to the growing of livestock or the producing of livestock, not to feeding.

Mr. AIKEN. No. I have consulted the committee counsel again—and I may say, in passing, we have a good committee counsel—and he states that the producer-feeder definitely is covered in both sections of the bill.

Mr. BARRETT. Would this include the operation I mentioned a moment ago—an operation, for example, in which a man runs 75 head of cattle, and then in the fall of the year buys 125 steers and feeds them out?

Mr. AIKEN. I may say he would be required to produce at least a part of his own cattle in order to qualify as producer-feeder.

Mr. BARRETT. But what would be the case if he produced a part of them?

Mr. AIKEN. I am subject to correction. I ask any member of the committee to correct me, if I am in error.

Mr. President, I should like to clarify further the matter I was discussing with the Senator from Wyoming. I have discussed that subject with the majority of the members of the Committee on Agriculture and Forestry, who are now present on the Senate floor, as well as with committee counsel, and it is our understanding that a producer-feeder who produces most of the cattle he feeds might well qualify for a loan on his entire operation under the pending bill. On the other hand, if he produced 15 calves a year and bought 300, it does not seem that he should be able to obtain loan on the entire operation under sec-

tion 2 (c). I want to point out that section 2 (c) covers all producers of cattle, sheep, and goats. The fact that a producer is also a feeder in no way disqualifies him for a loan, although the extent of the loan would naturally be required to bear a reasonable relationship to his producing operations.

Mr. BARRETT. I thank the Senator.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. The Senator from Vermont will agree, will he not, that that is an arbitrary matter? There is no language within the bill that can be so interpreted. I think if that is the intention, it should be spelled out specifically in the bill. I may say that, as one member of the committee, I did not understand that it applied to feeders, or to the situation of the average farmer. Let us clear it up. Personally, I am opposed to putting such a provision in the bill.

Mr. AIKEN. I would say it would be impossible to find a man who was a farmer and also a feeder who did not buy a calf, a cow, or some other animal once in a while. We could not be so strict as to say that he could not buy any animals at all.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from New Mexico.

Mr. ANDERSON. I think the point made by the Senator from Oregon, and made again by the Senator from Wyoming, would have application to what is now in controversy. I see no way whereby we could specify what size business a feeder must have in order that he may get assistance from the Government. The greatest State of the Union, so far as the feeding of cattle is concerned, is the State of Iowa, and the average number of cattle fed in that State is less than 10 head per farmer. There are feed lots that contain 50, 400, 500, or 1,000 head of cattle. We cannot, therefore, say to the man in Iowa who is feeding 10 head of cattle that he is not a feeder, because more beef is produced in that State than in any other State of the Union.

We must consider what the committee is attempting to do. It is trying to aid the producers of cattle, sheep, and goats, and is seeking to extend assistance to all producers within disaster areas, no matter what kind of producers they are. In other areas of the country where, as the Senator from Wyoming so correctly pointed out, the price is affected by what is going on in Texas, some relief should be extended to farmers and cattlemen who are producing their own cattle. I do not believe they are being hurt by the purchase of the cattle they are now buying and they are being financed with respect to the cattle they have already bought.

We are trying to pass legislation that may be regarded solely as emergency legislation in order to cope with the problem. If other problems arise, I am sure the Senator from Wyoming will find plenty of allies here ready to assist him.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from South Dakota.

Mr. MUNDT. I think what the Senator from New Mexico has said is correct. I believe attention should also be called to the fact that in this particular section the loans are to be subject to approval by a special committee to be appointed by the Secretary, to serve within a particular area, as determined by the Secretary. The special committee will know whether applicants are legitimate producer-feeders or whether they are commercial feeders, and it can certainly set the proper criteria to meet the problem posed by the Senator from Wyoming [Mr. BARRETT].

Mr. CASE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. CASE. Mr. President, I should like to suggest that it is of no avail to make it possible for the grower to hang on if the feeder market is destroyed. We shall not get anywhere by making loans to the grower so that he can remain in business after the market has gone. There are many feeders around Omaha and perhaps around St. Paul who got their fingers burned when the first rollback came along. They got their fingers burned when slaughter quotas and compulsory grading were in operation. They became pretty skittish, particularly in connection with supported farm prices and rollbacks. They got scared, with reason. They did not need to have a very sharp pencil in order to get scared; they could figure it out in their heads, because they knew what was happening. We must recognize that there are feeders who are not in the class described by the Senator from New Mexico [Mr. ANDERSON]. Some of them sent their cattle to market before they were fully finished or just half finished. The banks got into a position where they had to tell them they had lost their quota. As to feeders who have been wiped out, although they may have a historical pattern, if they have suffered losses, as I know some have, of anywhere from \$25,000 to \$75,000 in the past few years, are we going to say there is no relief for them? If we take them out of the market, we have disturbed the future market, and it is not going to do any good merely to keep the growers alive.

Mr. YOUNG. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. YOUNG. I think we are painting far too dark a picture. There have been speculative feeders who have gotten into the business in the past 3 or 4 years and who will probably get out of it. The old-time established feeder expects profits along with his losses. The old-time feeder believes that by remaining in business year after year he will eventually make money. The old-time feeders do not go in and out, year after year; they stay in.

Mr. AIKEN. I thank the Senator from North Dakota.

Mr. GORE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. GORE. I should like to advert to a statement which the distinguished Senator from Vermont made earlier. I thought I understood him to say that he wanted to discourage the purchasing of cattle at low prices by farmers—or maybe he used the word “speculators”——

Mr. AIKEN. That is correct.

Mr. GORE. In the hope of making money out of them later.

I should like to point out that, in my humble opinion, that strikes at the heart of the great difficulty, although I doubt if it strikes exactly right. What is needed in the cattle industry more than anything else at this time is people who will buy cattle. If we can do something to instill some confidence that people can buy cattle at lower prices and later get their money back, plus a little profit, then we shall strike a blow for stability in the cattle industry. As has been pointed out by the distinguished senior Senator from Minnesota and the distinguished Senator from South Dakota, the real difficulty arises out of a lack of confidence in the future of the cattle industry.

I realize that we cannot, in this hurry-up, emergency, disaster-relief bill, undertake to solve all the problems involved, and I should not like to take a retrogressive step even in this bill, because what we need most of all is many people who will buy cattle. If we give some encouragement to the purchase of cattle, in the hope of later making a profit, we shall open up far more markets, and that will give far more relief to the distressed situation than is at all possible by the loan or the purchase program under this bill.

Mr. AIKEN. My reference to the desire of the committee to discourage speculation was, of course, not directed toward the farmer who buys feeders at a reasonable price in the hope of making some money on them. It was directed to the sideline farmer, with no experience, who buys his feeders in the hope of getting a Cadillac automobile quickly. The bill would not authorize any loans to that person.

I also had reference to 2 or 3 lines which the committee struck out of the bill which would authorize loans to corporations, associations, and so forth, engaged in the business of buying and selling cattle. In other words, we do not want to make a loan to 3 or 4 persons who get together and have possibly a million dollars and who say, “We will buy cattle for 6 cents a pound and take them somewhere and unload them at as high a price as we can possibly get.” It is that type of speculation which I had in mind.

Mr. GORE. I am in hearty accord with the objectives of the bill and with the effort to bring to the drought disaster area immediate relief. As other Senators have pointed out, however, the disaster situation in the cattle industry did not arise because of the drought. We have had very depressed and very disastrous cattle prices for some time. I hope the distinguished and able Senator from Vermont will agree with the principal context of my statement that

that which is most needed in the overall situation is confidence in the stability of cattle prices in the future.

Mr. AIKEN. That is correct. I sometimes think we have contributed to the lower price levels for livestock by constantly predicting lower price levels. I think we have overdone the talk about surpluses and how they are bound to depress prices. Of course they do, but we do not need to talk about it quite so much. To a certain extent I have felt we were having psychologically depressed prices for livestock below the level of that which would normally be dictated by the law of supply and demand.

Mr. GORE. Does not the Senator think that is a very real factor?

Mr. AIKEN. I am sure it is. I recall that in the spring of 1949 hogs were 14 cents a pound and it was predicted that they were going to 10 cents a pound. The then Secretary of Agriculture came to Congress and asked for special legislation to deal with that situation. Congress did not give him any special legislation, but about that time the Secretary of Commerce issued licenses for exporting 50 million pounds of pork to Great Britain, and instead of the price going down it went from 14 cents a pound to 22 cents a pound and stayed at that point all summer. I asked Secretary Sawyer with reference to the exports of pork to Great Britain, and he laughed and said that to his knowledge not a pound was ever shipped out of this country. But the price went from 14 cents to 22 cents a pound almost immediately when the export licenses were granted.

Mr. MUNDT. Mr. President, will the Senator from Vermont yield further?

Mr. AIKEN. I yield.

Mr. MUNDT. I should like to discuss another section of the bill for the reason that some concern has been expressed because the Senate committee deleted from the House bill section 1 (d), and I think it should be made clear why the language was deleted. We set forth briefly in our committee report the reason, as follows:

The provision contained in the bill, as introduced, for furnishing feed and seed in disaster areas would be stricken out by committee amendment, as there is ample authority for this type of assistance in Public Law 875, 81st Congress (42 U. S. C. 1855). Assistance of this type has been, and is being, furnished satisfactorily under Public Law 875 and your committee sees no reason to duplicate this authority.

I simply wish to establish for the legislative history and for the guidance of those who will administer the law that the fact this language was deleted from the bill in no sense or in nowise indicated any lack of sympathy on the part of the committee for that kind of operation or authority.

Mr. AIKEN. The Senator from South Dakota is entirely correct as to why the committee deleted from the bill the section referred to.

Mr. MUNDT. In our interrogation of officials who appeared before the committee, we were advised that everything that could be done under the language proposed by the House can be done under present legislative authority. Is not that correct?

Mr. AIKEN. The Senator is correct.

Mr. MUNDT. So unless new information is brought to us, or unless new counsel is received, everything can be done under present legislation that could have been done had the House language prevailed. If new guidance is provided us between now and the time the bill is considered in conference, we can take another look to see whether the language should be reinstated.

Mr. SCHOEPPLE. Mr. President, I may say to the distinguished chairman of the Committee on Agriculture and Forestry that I agree with the interpretation he has announced. I am certain we want to keep in mind that this is an emergency measure. The distinguished junior Senator from Tennessee [Mr. GORE] a moment ago mentioned that the cattle feed situation and the market situation were bad. We all know that to be true. What we want to do is to prevent the cattle producers in the drought-stricken areas from having to force the herds they now have left onto the market prematurely. Markets all over the country, in the big livestock-producing areas and cattle-packing areas covered by the drought have had tremendous runs. In many of these areas, even if rain begins to fall within the next few weeks, the feed situation will be bad for months and months to come. Rain will not produce overnight situations that will be ideal, by any means.

The result is that this legislation is badly needed now to give assurances to livestock producers in the areas affected by drought that they can maintain themselves because their loans will not be prematurely called and that they can tide over this period, with aid and assistance not now available. That is most important.

I say to the distinguished Senators who have participated in the discussion on the floor today that yesterday I was approached by a man from the New England area, who said, “I have been thinking about the depressed cattle market and would like to get about 400 or 500 head of cattle. Can you tell me where I can go in the State of Kansas to get them at the lowest possible price? Despite the transportation cost to my area, I should like to take advantage of the situation.”

It is that kind of situation that this type of aid and assistance would prevent. If given, the people in the drought area will not have to sacrifice their herds at ruinously low prices. I do not object to a person making money through buying at the lowest possible figure, but the situation I have pictured gives the reason why I believe a commercial feeder, as such, is not entitled to the type of relief afforded by the bill. He has other avenues of assistance and does not need aid as badly as do the producers and feeders in the areas affected.

The man I am trying to protect is the one who has a little herd and has to hold it together. It is the producer-feeder in those areas who must be given assurance that he will have relief under the bill and will not be crushed and stamped out altogether.

Time is of vital importance. We could discuss and consider many other phases of helpful legislation if this emergency condition was not confronting the livestock industry in these areas sought to be covered in this legislation. I hope we can pass this bill and then if necessary consider many other important matters in other measures now in committee or to be introduced for specific reasons.

As was clearly brought out by the chairman of the committee, and also a moment ago by the Senator from Florida [Mr. HOLLAND], I feel that we must consider the situation as an emergency. When the committees are constituted to pass upon these matters, we can rely on the personnel of the committees being able to ascertain and determine conclusively who will be entitled to the credit, aid, and assistance. I believe the measure contains proper safeguards. If it was not an emergency measure we could and would have time to work out many other needed phases of legislation that would be helpful.

Mr. GORE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I will yield as soon as I have pointed out one thing which ought to be in the RECORD.

Section 2 (b), authorizing loans because of economic disaster, would be permanent law; whereas section 2 (c), providing for special livestock loans, would run for the duration of 2 years only, although loans made during that period may run for a longer time.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Kentucky.

Mr. CLEMENTS. I am very glad the chairman of the committee has pointed out that section 2 (b) would be permanent legislation, and that section 2 (c) would be temporary, to expire in 2 years.

I listened to the statement of the Senator from South Dakota [Mr. MUNDT]. Do I understand correctly that no legislative history is being made today that would attempt to give any more authority with reference to waiving any payments than already exists in present law?

Mr. AIKEN. As I understand, that is correct.

HUNGRY CATTLE AND SURPLUS FEED "FAIR TRADE" AND NOT "FREE TRADE"

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Nevada.

Mr. MALONE. Many cattlemen have money to carry their herds, but what they need is a recipe to feed \$3 corn to \$20 cattle. If one were able to borrow all the money in the world, he would not dare do so.

How do we get the surplus corn and the wheat and the cattle, and the sheep together? That is the real worry west of the Rockies.

Mr. AIKEN. That is a problem which I think many people are trying to solve these days.

Mr. MALONE. I just tried to reach the Secretary of Agriculture, but I settled for an expert in the Department, who said that the relation of the price of

feed to the price of cattle was not in his field.

I have not yet reached anyone with whom I can discuss that particular problem.

I realize there are many people, some in my own State, who will need loans, but what they will do with the loans if they have to buy corn and other grain at a price that, even if the feeders put on 2 pounds a day, will still lose the rancher 40 or 50 cents a day is a very pertinent question.

Mr. AIKEN. We have not. I suppose it would be poor business practice to buy corn at \$3 to feed to 20-cent cattle.

Mr. THYE. I should like to know where corn is \$3 a bushel.

Mr. MALONE. I did not say \$3 a bushel; I was speaking of \$3 a hundred.

Mr. THYE. Even at \$3 a hundred.

Mr. AIKEN. A great many Midwest farmers are putting their corn under loan, rather than to feed it to their livestock.

Mr. MALONE. Corn is being purchased by the Government as high as \$1.70 per bushel, for 56 pounds.

I understand Congress is appropriating more money to build more cribs to store the third crop, when full corn cribs and wheat bins are already scattered all the way from central Kansas to the Atlantic coast, while the hungry cattle and sheep are clogging the ranges from central Kansas to the Pacific coast.

BRING CATTLE AND FEED PRICES INTO FOCUS

The problem is to get the grain to the cattle and sheep at relative prices so that the owners of the livestock can at least break even, to slow up the market drive.

Many people in my State and in the western area can buy the feed and hold their stock in the feeding pens if such feed and stock prices are brought into focus.

If a principle of operations is not found to bring such prices into focus then the trek to the market of feeder stuff will continue with resultant lower prices—with a possible rebound of too high future prices.

"FAIR TRADE"—NOT "FREE TRADE"

This is an emergency now that must be faced—the deluge of imported cattle and sheep from Mexico and Canada—imported canned meat from Mexico, Canada, the Argentine, Australia, and New Zealand contributed importantly to the wide break in the cattle market.

The long range answer must be found in establishing "fair trade" and not "free trade" with foreign countries.

There must be a flexible duty or tariff regulated by the Tariff Commission as the basis of fair and reasonable competition—if this is established instead of the "free trade" policy established by the State Department under the so-called "reciprocal trade" act then 80 percent to 85 percent of farm products will not need a subsidy.

Mr. AIKEN. It is my understanding that corn is being planted this year almost into the wheel tracks, in order to grow as much as possible, with the intent on the part of many farmers to put it under Government loan.

Mr. MALONE. I do not mean to blame anyone; it is simply a condition

that has to be faced when the feed, cattle, and sheep cannot be brought together.

Mr. AIKEN. It is a serious condition. Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Would not the answer to the question raised by the Senator from Nevada, regarding the problem of feeders, be for Congress to put into effect flexible farm price supports, and to repeal the 90-percent formula? Is not that the way we ought to approach the whole problem today?

Mr. AIKEN. I shall not undertake to answer the question of the Senator from Delaware today. It would take too long. If it were possible to do what he suggests, I would hope to make it retroactive.

Mr. WILLIAMS. Is it not true that there is on the books a law sponsored by the Senator from Vermont and the Senator from New Mexico, which would have solved the problem years ago, if it had been allowed to go into effect?

Mr. AIKEN. The Senator from Vermont thinks the situation probably would have been better today had not certain provisions of the law been suspended.

Mr. GORE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. GORE. I shall ask the Senator to yield only once. Recently I visited the stockyards at Nashville, Tenn., and also some local stockyards at smaller markets. I point out that fact to illustrate the point which I undertook to make a few minutes ago. Ordinarily, in those local markets one farmer will sell, and another farmer will buy, particularly unfitted cattle; but upon the occasions when I recently visited those markets the farmers were selling pell mell and no farmers were buying. The only buyers were the packers, whose packing plants were being overloaded, whose lockers or storage plants were filled. That illustrates, I hope, the point which I tried to make a few minutes ago, that what we need most of all in the overall disastrous cattle situation is to instill some confidence as to the future, and thereby encourage not only packers, but farmers and feeders, to buy cattle.

Mr. AIKEN. I thank the Senator from Tennessee for his remarks. I understand that lightweight cattle have been bought by packers, and that the cattle population is possibly being reduced this year. I understand that if the present rate of slaughter is maintained for the remainder of the year, some 36 million head will have gone to slaughter, or approximately 4 million more than anticipated. That may help the situation somewhat.

MUST DECLARE DISASTER AREA TO GET FEED OR MOVE TO FOREIGN COUNTRY

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. I understand from the Department of Agriculture that if a governor will declare his area to be a disaster area, and the President approves,

feed can be sold at reduced prices. Is that the understanding of the Senator?

Mr. AIKEN. That is my understanding.

Mr. MALONE. The only way we can get the feed together with the hungry cattle and sheep is to be located in a disaster area.

Mr. AIKEN. That is the only way to get the feed from the Commodity Credit Corporation at a reduced price.

Mr. MALONE. Unless one moves to a foreign country.

Mr. AIKEN. He might do that.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MONRONEY. Perhaps the distinguished chairman has already answered this question. As he knows, the State which I have the honor in part to represent is divided in half, as between the drought emergency counties and those which have not been declared to be disaster areas, although the situation is almost similar throughout the entire State. As I understand, this bill would not limit credit facilities to those counties which have been declared to be drought areas.

Mr. AIKEN. That is correct. Any county, even though it has green grass in it, which is near enough to the drought area so that it is suffering from economic disaster, would also qualify for loans under the bill.

Mr. MONRONEY. I am glad the distinguished chairman recognizes that fact, because the cattle runs that come into the State because of drought spread several miles beyond the immediate limits of the drought disaster area.

Mr. AIKEN. Let me clarify the statement which I made to the Senator from Oklahoma. The livestock producer in the adjoining county or counties, which perhaps still have grass and water, would be eligible for loans under section 2 (c). The row crop producer or the other type of farmer, who was not suffering from drought, would not be eligible for disaster loans, unless he were in the disaster area.

Mr. MONRONEY. But cattle producers would be eligible for loans if they had suffered economic disaster, even though they were not in the disaster counties.

Mr. AIKEN. The Senator is entirely correct. Cattle producers wherever located, would be eligible.

Mr. MONRONEY. I should like to ask one further question. As I read the bill, it is not intended that this credit be used for the bailing out or repayment of previous indebtedness. The indebtedness which exists today is supposed to be held in suspense. An additional grant of credit is made to the cattle raisers to help them recover, so that both loans may become good loans.

Mr. AIKEN. The Senator is entirely correct. A bank would have to agree to allow its loan to continue on a suspended basis in order for the producer to secure one of these emergency loans.

Mr. MONRONEY. I thank the distinguished chairman.

Mr. AIKEN. After all, the purpose of the emergency loan is to preserve the

farmer, who presumably would be a good customer of the bank in the future if he were enabled to go through this disaster period.

Mr. MONRONEY. Mr. President, will the Senator yield for one further question?

Mr. AIKEN. I yield.

Mr. MONRONEY. With respect to loans to larger livestock raisers, some of whom have seen \$750,000 or \$1 million in cattle equity wiped out in the present disastrous decline, would such producers deal through the local committee first, and then through the Secretary of Agriculture?

Mr. AIKEN. If a cattle raiser required more than \$50,000 he would deal first through the local committee, and if the loan were approved by the local committee, it would have to be approved by the Secretary of Agriculture.

Mr. MONRONEY. But if the local committee did not wish, because of the size of the loan, to send the application to the Secretary for consideration, could the loan be considered by the Secretary de novo or without commitment or comment by the local committee?

Mr. AIKEN. Does the Senator mean by bypassing the local committee?

Mr. MONRONEY. If the local committee, not having experience with large lending operations such as are sometimes required to operate a big cattle-raising enterprise, did not wish to commit itself with respect to the loan, would the Secretary be able to consult with the local committee, perhaps, if the local committee were afraid to consider a loan of such size?

Mr. AIKEN. The Secretary would appoint the committee in the first place. I should presume that any application for a loan of considerable magnitude would be referred to the Secretary, with the approval of the committee; or if the committee were in doubt, I would expect the committee to refer the application to the Secretary, and possibly ask for outside assistance in determining whether or not the loan should be made.

Mr. MONRONEY. One of the problems we have is not only that of the small raiser of cattle, the man without much capital, but even those who have been successful operators for a number of years are finding themselves in grave difficulty. If they were denied access to sufficient loans, they would be forced to liquidate their herds and further increase the runs of livestock into a depressed market.

Mr. AIKEN. The Senator is entirely correct. I have noticed that when they really are hurt, the small operator and the big operator feels about the same.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Is it not a fact that in all instances the assets of the individual borrower, both in and out of the cattle business, must be pledged as security?

Mr. AIKEN. That is true. If a person has assets outside the cattle business, and wishes a loan on cattle alone, he must pledge his outside assets.

The PRESIDING OFFICER. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Agriculture and Forestry was, on page 1, line 3, after the numerals "1949", to strike out "(63 Stat. 43, as amended)" and insert "(63 Stat. 43), as amended"; in line 5, after the word "amended", to strike out "by adding these new subsections as follows" and insert "as follows: "(A) After the second sentence of subsection (a) add the following new subsections:."

On page 2, line 4, to strike out "Sec. 2." and insert "(b)"; in line 7, after the word "Congress", to strike out the comma and "as amended"; at the beginning of line 8, to insert "as amended"; in the same line, after the words "loans to", to insert "established"; in line 10, after the word "if", to strike out "he" and insert "the Secretary"; in line 19, to strike out "Sec. 2." and insert "(c)"; in line 20, after the word "this", to strike out "Act" and insert "subsection"; in line 21, after the word "established", to strike out "ranchers or stockmen (including corporations or associations engaged in the business of financing cattle if they are owned and controlled by ranchers and stockmen engaged in the business of buying and selling cattle)" and insert "producers of cattle, sheep, and goats."

The amendment was agreed to.

The next amendment was, on page 3, line 20, after the word "from", to strike out "local financing institutions, livestock operators, and."

Mr. ANDERSON. Mr. President, I think the committee was in error in respect to this amendment. I think the word "local" should be left in. I should like to strike out "financing institutions," but not the word "local."

Mr. AIKEN. Is the Senator referring to the committee amendment on page 3, line 20?

Mr. ANDERSON. I refer to the committee amendment on page 3, line 20, to strike out the words "local financing institutions, livestock operators, and."

The PRESIDING OFFICER. Is there objection?

Mr. AIKEN. Mr. President, I ask unanimous consent, if it has not already been granted, that the committee amendment on page 3, line 20, be amended by leaving in the word "local", so the bill would read:

The committee shall consist of at least three members appointed by the Secretary from local persons having recognized knowledge of the livestock industry.

Mr. BUTLER of Maryland. Does that mean that persons who receive benefits under the act could be appointed?

Mr. ANDERSON. Originally the word "local" was stricken, but then it occurred to someone that, under the language, a farmer might be afraid that a committee of three people from Washington might come to the locality to handle affairs in his district.

Mr. BUTLER of Maryland. I am not in favor of that happening, but I do not think that anyone should be placed on a

committee who is receiving benefits under the act.

Mr. AIKEN. No.

Mr. ANDERSON. I am sure that would not happen.

Mr. AIKEN. The Secretary would not be inclined to appoint anyone to a committee who would be asking for a loan himself.

Mr. BUTLER of Maryland. There is nothing in the bill to prevent it.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment on page 3, line 20 of the bill, to strike out "financing institutions, livestock operators, and."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the remaining committee amendments.

The remaining committee amendments were, on page 4, line 5, to strike out "regulations." and insert "regulations"; after line 5, to strike out:

EMERGENCY ASSISTANCE IN FURNISHING FEED
AND SEED

SEC. 2. (d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, but the Secretary may waive repayment in whole or in part if in his judgment circumstances so require. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and may reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for administrative expenses necessary in performing such functions.

On page 5, after line 1, to strike out:

The last sentence of subsection 2 (a) is renumbered as subsection 2 (c) and a comma and the word "reimbursement" shall be inserted after the word "loans" in said subsection.

After line 5, to insert:

(B) The last sentence of subsection (a) is designated as subsection (d).

At the beginning of line 8, to insert "(C)"; in the same line, after the word "of", to strike out "subsection 2 (b) is deleted, the subsection is renumbered as subsection 2 (f)" and insert "subsection (b) is deleted, the subsection is redesignated as subsection (e)", and after line 14, to insert:

SEC. 2. Loans under this act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 percent of the stock or other interest in the corporation or organization.

So as to make the bill read:

Be it enacted, etc., That section 2 of the act of April 6, 1949 (63 Stat. 43), as amended, is hereby further amended as follows:

(A) After the second sentence of subsection (a) add the following new subsections:

"ECONOMIC DISASTER LOANS

"(b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended, to make loans to established farmers and stockmen, for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"(c) For a period of 2 years from the effective date of this subsection loans for \$2,500 or more may be made to established producers of cattle, sheep, and goats who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of 3 years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 percent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations."

AMENDMENTS TO EXISTING PROVISIONS

(B) The last sentence of subsection (a) is designated as subsection (d).

(C) The letter (a) in the last clause of subsection (b) is deleted, the subsection is redesignated as subsection (e), and there shall be added at the end thereof the following new sentence: "There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine."

SEC. 2. Loans under this act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or

other business organizations, by the personal obligation and available security of each person holding as much as 10 percent of the stock or other interest in the corporation or organization.

The amendments were agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the joint resolution (H. J. Res. 292) authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives, and it was signed by the Vice President.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

The Senate resumed the consideration of the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KERR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the end of the bill, it is proposed to insert a new section, as follows:

SEC. . The Secretary of Agriculture is authorized and directed to make immediately available through loans, purchases, or otherwise, price support to producers of beef cattle at 90 percent of parity.

Mr. KERR. Mr. President, I wish to commend the Committee on Agriculture and Forestry and its members for bringing S. 2267 to the floor of the Senate and for the work they have done in formulating its provisions, to the extent that it will meet some of the needs of some of the farmers and cattle producers in our country.

I have a feeling, however, that it is inadequate. I should like to ask the chairman of the Committee on Agriculture and Forestry, if I may—and I ask unanimous consent to do so—a question without my losing the floor.

The PRESIDING OFFICER (Mr. KUCHEL in the chair). Is there objection? The Chair hears none, and the Senator may proceed.

Mr. AIKEN. May I ask what the subject of the unanimous-consent request was?

Mr. KERR. That I may be permitted to ask a question of the Senator from Vermont.

Mr. AIKEN. That is agreeable to me.

Mr. KERR. I should like to ask the chairman of the committee if it is not a fact that under existing law all the provisions of the bill under economic disaster loans and all the benefits under that provision are now available in the disaster areas to farmers or cattle producers requiring up to \$2,500 in loans.

Mr. AIKEN. May I have that question again? I did not quite understand it.

Mr. KERR. I am trying to ascertain, both to confirm an impression I have, if it is correct, and also for the Record, that under existing law many of the benefits of the proposed bill are now available to farmers and cattle producers in amounts up to \$2,500.

Mr. AIKEN. The Farmers Home Administration has authority to make production and subsistence loans up to \$7,000. The change in the proposed act makes loans available for economic disaster as well as production disaster in areas determined to be disaster areas under Public Law 875. Economic disaster might come with falling prices.

Mr. KERR. But if in any area where drought disaster has already been declared by the President to exist, that privilege is now available to farmers and cattle producers and others interested in agricultural production at this time from the Farmers Home Administration, up to \$7,000.

Mr. AIKEN. From the Farmers Home Administration for production and subsistence loans, as in any other other area. I may say production disaster loans in any amount are available from the disaster revolving loan fund in appropriate cases. The pending bill authorizes putting enough money in the revolving fund so that adequate loans can be made.

Mr. KERR. I understand.

Mr. AIKEN. I read from the committee report:

The Secretary of Agriculture now has authority, under section 2 (a) of the act of April 6, 1949 (63 Stat. 43), to make loans to farmers and stockmen in areas in which a production disaster has occurred, but these loans are limited to borrowers who have sustained production disasters on their farms. The bill would add a new section 2 (b) to the act of April 6, 1949, to permit the Secretary to make loans in areas determined to be disaster areas under Public Law 875, 81st Congress, to farmers and stockmen who have suffered from economic disasters, such as the declines in cattle prices which have occurred in the drought area.

That means authorizing loans to be made because of falling prices, in other words, so farmers can hold back cattle and not put them on a depressed market.

Mr. KERR. As I understand, it makes it possible, in the presence of economic disaster, to make loans to farmers on the basis of their showing that they are entitled to them under these specifications.

Mr. AIKEN. That is correct.

Mr. KERR. I thank the Senator. I repeat, I desire to commend the committee for bringing out this bill and for giving it the coverage which it has.

I am still convinced, Mr. President, that it does not go far enough, either to meet the requirements of the cattle producers or to prevent creeping bankruptcy, which is now taking place insofar as small farmers and cattle producers generally are concerned throughout the length and breadth of this land.

As we approach the problem it is tragic to operate on the basis of too little too late. I believe the Secretary has far

more authority than he has used up to this time. In my opinion the tragedy of 1953 has been his refusal to use the authority he has had and his failure to come to Congress and ask for such additional authority as he may have felt he needed in order to prevent the economic disaster which has befallen cattle producers everywhere in the United States.

Mr. President, when bankruptcy has been thrust upon a cattle producer it is just as deadly and just as destructive in the absence of a drought as when it occurs by reason of a drought. It is just as destructive and just as much of a tragedy to a producer of any product to find that through conditions beyond his control that which he has been producing has its value destroyed and bankruptcy has come upon him, regardless of the cause of the visitation.

I wish to read a quotation from a United Press report which came over the ticker a day or two ago:

DROUGHT

Secretary Ezra T. Benson indicated the Agricultural Department has gone about as far as it can in offering to aid drought-stricken farmers in the Southwest.

He quickly vetoed requests from 10 southern agricultural officials yesterday for a Federal floor under cattle prices. He said, "We certainly are not contemplating such a move." He said the Department's plan to buy 200 million pounds of beef in the next 20 weeks, sell feed to cattlemen at bargain prices, and handle emergency credit facilities should be enough to firm up cattle prices and prevent undue hardship.

Mr. President, to me it is tragic that the vision of the Secretary of Agriculture in this regard has been so limited. I think he is one of the finest men I have met. At the same time I think he is the most unaware of the opportunities and responsibilities of his office of any man I ever saw who seemed to enjoy occupying his office as much as he does.

When he said the Department of Agriculture has gone about as far as it can go, he brought to my mind the words of a song in the great show "Oklahoma." I really believe the words of the Secretary of Agriculture are about as effective in and about as applicable to the present situation as the words of that song are applicable to the security of our country:

Ev'rythin's up to date in Kansas City—
They've gone about as fur as they c'n go.
They wanta build a skyscraper seven stories high.

About as high as buildings orta grow.
Ev'rythin's like a dream in Kansas City.
It's better than a magic lantern show.

You c'n turn the radiator whenever you want on heat,
With every kind of comfort, every house is all complete.

Y' c'n walk to the privies in the rain and never wet your feet.

They've gone about as fur as they c'n go.

Mr. President, the Secretary of Agriculture did not even begin to go as far as he could go in meeting the requirements of the cattlemen of the Nation.

I wish to refer to a telegram or two and a message or two which I have received.

In my judgment, Mr. President, we have had as clear a demonstration of a national emergency as I have seen in my

lifetime. In past weeks I have heard distinguished Members of this body, standing on this floor, refer to areas upon which hurricanes have wrought terrible destruction to life and property. I have seen the President move with commendable dispatch in declaring an emergency to exist in those areas, and in making many facilities of aid and assistance available to the distressed people and the damaged communities.

Mr. President, a hurricane of destruction has hit the entire cattle-producing population of the Nation. I heard one Senator say that one vicinity in his State had suffered \$30 million of damage. The cattle producers of the Nation have suffered that much economic loss each and every day, except Saturdays and Sundays, since November 4, 1952; and the damage is still continuing. The drought did not create that destruction; it only dramatized it. It only called attention to the condition in limited areas. The millions of cattle producers outside the drought areas have suffered economic destruction to the point of bankruptcy. I wish to say that is just "about as far" as damage can go. When a man has been bankrupted, how much further can the damage to him go?

When an official who has authority to act in a way to prevent such damage, stops far short of doing that, then he is not entitled to say he has gone as far as he can go to alleviate the suffering or to prevent the disaster.

Mr. AIKEN. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield to the distinguished chairman of the Committee on Agriculture and Forestry.

Mr. AIKEN. Mr. President, the Senator from Oklahoma asks, "When a man has been bankrupted, how much further can the damage to him go?"

Let me ask the Senator from Oklahoma a question: When a nation has been bankrupted, how much further can the damage to it go?

Mr. KERR. Mr. President, I am glad the Chairman of the Committee on Agriculture and Forestry has asked that question. Because of the failure and refusal of the Secretary of Agriculture to act in meeting his responsibility, the cattle producers of the Nation have suffered a greater loss since November 4, 1952, than is represented by the deficit of the Government for the fiscal year ending June 30, just the other day.

Mr. AIKEN. Mr. President, the Senator from Oklahoma is not correct, but I will not go into that matter.

Let me ask what was done in 1940, when the average price of all beef cattle in the United States was 7 cents a pound? What price-support program was put into effect then? What brought those prices out of the valley or low point, except war?

I agree with the Senator from Oklahoma that we should find some means of maintaining prosperity, other than war; but I do not recall that any effort was made in 1940 to place supports under cattle prices.

I only wish the Senator from Oklahoma would let the farm program stay out of politics. He is doing no good to

the farmers of the United States. He has done his part to drive down cattle prices. He has done everything that is not good for agriculture. I wish he would stop—not because I think what he says influences anyone, but because I believe it is part of the psychological drive which began, even before President Eisenhower took office, to knock cattle prices to pieces.

Three groups took part in that drive. One group was composed of those who sought to make money by buying cattle cheap. The second group was composed of those who sought to make political capital by having farm prices go to pieces. The third group was composed of those who sought to change the form of government of the United States. They were a strange lot of bedfellows.

Mr. KERR. Mr. President, I feel greatly censured.

Mr. AIKEN. Mr. President, the Senator from Oklahoma has done as much harm to the farmers of Oklahoma as has been done by any other factor in our whole economy.

Mr. KERR. Mr. President, I hope the Chair and the few other Senators now in the Chamber will excuse these few tears. I wish to say to my distinguished friend, the Senator from Vermont, that I have a great regard for his sincerity of purpose in the views he has with reference to agriculture. But I do not yield to him or to anyone else the privilege of saying to me what shall be my views.

I say to him that him if he thinks he can ridicule those who have stood on this floor and have sought to prevail upon the Secretary of Agriculture to use his authority to stop the creeping bankruptcy of the American cattle producers and gain either confidence, esteem, or respect from the farmers of the United States, he will have the rudest awakening that it has been in his experience to have.

I think he is a good man and a sincere man; but if I ever saw a Rip Van Winkle in my life, I have witnessed him on the floor of the Senate today and in the past months.

Talk about the Senator from Oklahoma doing something to bring down the price of cattle. Mr. President, when Mr. Benson became Secretary of Agriculture, cattle were selling at above 90 percent of parity. When the Senator from Oklahoma saw that the price was falling and would cross the parity line, he began to call on the Secretary of Agriculture to take steps to stop the decline. On March 7 the Secretary of Agriculture issued a statement in which he said in effect, that actions taken by him since his inauguration into office had halted the long and disastrous decline which had been in operation under the preceding administration.

The distinguished Senator from Vermont stood on this floor shortly thereafter and told the American farmers that things were going to be all right. "Oh," he said, "you have got nothing to fear. Your economic welfare is going to be in good shape. Just have confidence in Benson." Yet every day since

then, on the average, the prices of cattle have declined. Secretary Benson now says, "We have gone about as far as we can go."

During all the time when the collapse was taking place, the Senator from Oklahoma and other Members of this body begged and plead and coaxed and cajoled and challenged and dared the Secretary of Agriculture to live up to his responsibility. The Secretary would say, "The prices of cattle have not declined nearly far enough yet to warrant emergency action." Talk about somebody doing something to encourage the decline of cattle prices! If the Secretary had come charging out of his corner to say, "The decline has gone far enough, and the facilities of the Government and the powers of this office are going to be used to halt it," he would have done something akin to what the Senator from Vermont referred to a while ago when he said that back yonder somebody suggested that so many million pounds of pork be exported, and, although not a pound was exported, the psychological effect was such as to move the price of pork up from 14 to 22 cents a pound.

Did Mr. Benson suggest anything like that? No. He said, "I am opposed to any support program other than insurance against undue disaster." He was unmoved by ordinary disaster; that was something a man's moral fortitude and his love of freedom should cause him to take with a smile; but if and when undue disaster hit the farmer, then, the Secretary said, he would be in favor of insuring him.

I say undue disaster hit the cattle producer 6 to 8 weeks ago; and now there comes before the Senate a bill—a good bill, yes—but I say to the chairman of the Committee on Agriculture and Forestry that it will come just about as near to meeting the problems and necessities of the average cattle producer as would standing in the sunshine and pitching hay with a table fork.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Louisiana.

Mr. LONG. As a matter of fact, some of us feel that the Senator from Oklahoma has done the Nation quite a service by calling attention to mistakes being made by certain members of the present Cabinet. The Senator from Oklahoma is one of those who have pointed out for some time the effect of the policy of increasing interest rates and tightening credit. After several speeches had been made on the Senate floor, in which it was stated that that was a fine policy, we then saw that the Republican administration reversed the policy and went along with a policy whereby the Federal Reserve Board made credit more freely available; apparently not realizing that if interest rates went up, it would be difficult to bring them down. But at least, someone was speaking out—and what was said might have had some effect—urging the administration to ease up on credit, rather than to continue to tighten up on the hard-money, tight-credit policy the administration has been pursuing.

Mr. KERR. I appreciate the remarks of the distinguished Senator from Louisiana.

I wish to say to the Senator from Vermont that if the administration does not reverse its agricultural policies, the people are going to reverse the administration. I say to him that I do not speak now for political gain, since I assure the Senator from Vermont that his party has already insured the success of the Democratic Party in the elections next year. I speak now to prevent wholesale bankruptcy to the millions of cattle producers in the country. They found out within 90 days after the party of the Senator from Vermont took over the powers of government that it had no purpose of living up to the commitments of their President to maintain the support provisions of the present law and to seek to secure 100-percent parity.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KERR. I will yield in a moment. I say to the Senator from Vermont, "Tell your President he had better raise his flag because some of his men here have had it lowered to half-mast." If he does not lift that standard and stand out in a bold program of leadership, I want to say to the Senator from Vermont that, in spite of the President's amazing popularity, the people of this country will take the political matter in hand.

I now yield to the Senator from Minnesota.

Mr. HUMPHREY. The Senator is aware of the fact, is he not, that when the bond market got down to around 90 percent of parity, it did not take the Secretary of the Treasury long to act? We did not need a special law, either. He simply got busy and acted. When the prices for the products of American agriculture get down to 90 percent of parity, it ought not to take long for him to act, either. The law is on the books. He can act in his discretion.

I desire to say to the Senator from Oklahoma, who has spoken out very freely in respect to the agricultural issue, that we have had no drought in the State of Minnesota. I have just returned from a weekend trip to Minnesota, during which I visited over 200 miles of flooded area. That area was not affected by drought. But let me assure the Senator that, within a period of 6 months, the difference in income to the cattle-feeders in the State of Minnesota, and their loss, comparing sales last year with sales this year, has been \$125 million. I may add, that is not "small chips."

Mr. KERR. I thank the Senator for his statement. I commend these remarks to the Senator from Vermont in his quest for information as to how bankruptcy can hit a nation.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. KERR. I yield to my distinguished colleague, the junior Senator from Oklahoma.

Mr. MONRONEY. I would disagree most emphatically with the statement of the chairman of the Committee on Agriculture and Forestry that my colleague, the senior Senator from Okla-

homa, has endeavored to make a political issue out of the pending bill, as being designed to help drive down the prices of cattle. Since the senior Senator from Oklahoma took the floor in mid-February to call attention to the threatening danger, the collapse of prices, and since he took the floor to forecast what could happen, I feel that, had the Secretary of Agriculture used the power he possessed, or had he asked for additional powers, the toboggan-slide of cattle prices might have been to a great extent averted.

I believe the difficulty has been that the Secretary of Agriculture has not maintained close enough contact with the Members of the Senate and the House from the western cattle-raising areas to enable him to know of the impending disaster that was threatening to strike in that area long before it was realized in the Department of Agriculture in Washington, D. C.

Mr. KERR. I thank my colleague from Oklahoma, and I refer to the fact that he also, in mid-February, stood on the floor of the Senate and called upon the Secretary to move to prevent the disaster before it occurred, before creeping bankruptcy had wreaked its terrible destruction on so many farmers and cattlemen.

Mr. MORSE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield to the Senator from Oregon.

Mr. MORSE. I wonder whether the Senator would permit me to read a release from the Office of the Secretary of Agriculture under date of March 4, 1953. It consists of one full page. It is a release which, viewed in retrospect, is exceedingly illuminating. Of course, it shows very clearly what the thinking of the Department of Agriculture was at that time. I think it illustrates how the Secretary of Agriculture and not the Senator from Oklahoma has weakened the confidence of the cattlemen. I commend the Senator from Oklahoma for the fight he has waged in defense of the cattlemen. Had the Department heeded the advice of the Senator from Oklahoma instead of the advice of the so-called advisory committee the Secretary called in on March 4, 1953, whose names I shall read in a moment, I think part of the problem now confronting us on the floor of the Senate would have been nonexistent. The release of the Secretary of Agriculture, dated March 4, 1953, reads:

FINANCE ADVISORY GROUP SAYS ADEQUATE CREDIT AVAILABLE TO LIVESTOCK MEN

Recent stories stating that loans to livestock producers were being called due to decreasing meat prices were discounted today by an agricultural finance advisory group invited to meet here by Secretary of Agriculture Ezra Taft Benson. It was generally agreed that few, if any, loans have been called due to declining prices, and that loans to cattlemen were still considered a very good risk.

The group was welcomed by True D. Morse, Under Secretary of Agriculture, who pointed out that the Department was concerned with reports emphasizing the need for emergency financial assistance. The Under Secretary asked the group for their advice on these specific questions: (1) Does an acute problem exist and how intense is it? (2)

Should emergency loan procedures be set up? The Under Secretary cautioned that "we must avoid unsound financing as a result of undue pressure."

It was pointed out by members of the group that there is little indication of distress even in the drought areas. They added, however, that some feed-lot operators had taken a loss this year, particularly those handling heavy cattle. They stated that feeder cattle are still considered the best kind of collateral. The group agreed that farmers in general are not concerned so much about the drop in farm prices as they are about increased costs of things they have to buy. The advisory group further agreed that existing credit facilities are adequate to take care of any foreseeable needs of the legitimate livestock producer.

The point of my remarks is to be found in the enumeration of the members of the advisory committee. There is not a cattleman on the committee. For the most part, the members are bankers. I read further:

Members attending today's meeting are: A. G. Brown, American Bankers Association, New York City; D. E. Crowley, vice president of the Northwest National Bank, Minneapolis, Minn.; R. M. Evans, member, Board of Governors, Federal Reserve System, Washington, D. C.; O. M. Krueger, the Prudential Insurance Co. of America, Newark, N. J.; R. I. Nowell, Equitable Life Insurance Society, New York City; John A. Reed, president, First National Bank, Kemmerer, Wyo.; and Glenn E. Rogers, Metropolitan Life Insurance Co., New York City. Mr. R. E. Short, Director of Agricultural Credit Services in the United States Department of Agriculture, served as chairman of the meeting.

I wish only to add, Mr. President that had the administration on March 4, 1953, been seeking some advice from the feeder cattle people, some advice from the cattle farmers in the drought areas, where it is said, as recently as March 1953, there was not a very serious financial situation existing, they would have received some advice quite the contrary to the advice given by bankers and high financiers. This release was bound to discourage cattlemen and cause them to lose confidence in the administration. A different release would have been necessary if some farmers had sat down with the bankers and the Department officials. What it illustrates is a good example of what really faces us today, the Cadillac crusade in reverse.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. AIKEN. The Senator from Oregon knows that that is not a fair statement.

Mr. MORSE. It is a fair statement, and I hope the Senator from Vermont will answer it.

Mr. AIKEN. I shall answer it.

Mr. MORSE. In the Senator's typical fashion.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSON of Texas. Mr. President, I deeply regret that while this body is considering a measure so necessary and so essential to a large section of the country, the chairman of the great Committee on Agriculture and

Forestry should seek to give us a lecture on partisanship.

I should like to ask the Senator from Oklahoma if he is aware—and I hope the chairman of the Committee on Agriculture and Forestry will follow my question—that the Committee on Agriculture and Forestry of the United States Senate asked the Department of Agriculture for a report on a bill substantially the same as section 2 (b) of the present bill, which makes credit available. The report was received by the chairman of the committee less than 30 days ago, stating that the Department of Agriculture saw no necessity for such credit legislation. Yet the chairman of the Committee on Agriculture and Forestry, the great Senator from Vermont, has the audacity to tell the Senate that the Senator from Oklahoma is destroying confidence in the livestock market.

Mr. KERR. I thank the Senator from Texas for that question. My answer is that it is my information that the Under Secretary of Agriculture did write such a letter and did say that the conditions did not warrant action.

Mr. JOHNSON of Texas. The chairman of the committee is on the floor, and if the statement is not true, I assume he will deny it.

Mr. KERR. I will say this to the distinguished Senator from Texas, that if my answer to the question is incorrect, I would solicit a statement from the Senator from Vermont calculated to correct it.

I will say further, with reference to the Under Secretary of Agriculture, that I went to see him the other day with my distinguished colleague, the junior Senator from Oklahoma, and four Oklahoma Representatives, with reference to extending the application of the designation of a disaster area to other sections of Oklahoma which might be entitled to it. In the course of the conference we discussed the question of who would be eligible to receive the benefits available under the disaster identification. I think the distinguished Under Secretary of Agriculture is a fine man; I think he is a high-type man of integrity and character, but I think he shares the limitations of his Chief in that he is unaware either of the needs of the farmers or of the responsibilities and opportunities of the Department of Agriculture with reference to their needs.

In the course of the discussion, he said:

Of course, this assistance will not be available to farmers for whom there is no hope.

We questioned him on that point, and the term "marginal farmer" crept into the conversation. He said, "Why spend money on farmers who cannot make it even with help?"

I asked him how anyone could determine whether a man could "make it" if he got some help. For many years I have heard men on this floor and elsewhere condemn what they referred to as the plowing-under policy of certain past bureaucratic officials in the Department, but I never expected to live to see the day when a man in that high office would say that which amounted to indifference to the operation of plowing under human beings—if they do not have a chance to make it, plow them under.

If it is apparent that they are not going to make it, what is the use of spending money on them? That was the question of the Under Secretary.

I hope I shall be forgiven if anything I say here violates the concept of the Senator from Vermont of what the political situation might be.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oklahoma yield further?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. On March 20 there was received by the committee headed by the Senator from Vermont a bill substantially the same as section 2 (b) of the present bill. That credit bill has been in the committee since March 20. On June 9 the Department of Agriculture made a report on that credit bill and said it was not necessary. Yet, today, Mr. President, we are confronted with emergency legislation highly recommended by the same Department which, 30 days ago, said the legislation which had been resting in the committee since March 20 was unnecessary.

Mr. KERR. I thank the Senator from Texas. That is but another illustration of either the indifference or the ignorance of the Department of Agriculture as to what is going on and as to the necessities of the people.

Mr. HUMPHREY. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. HUMPHREY. I listened to the colloquy and the debate in the Senate on this matter, and I sent to the lobby and obtained a copy of the CONGRESSIONAL RECORD. I think it would be enlightening to get an exact record of what transpired earlier.

For example, under date of February 4, 1953, the junior Senator from Oklahoma [Mr. MONRONEY], read into the RECORD, as I have it before me on page 909, under the headline "Decline in Beef Prices," an Associated Press dispatch, as follows:

Secretary of Agriculture Ezra Taft Benson yesterday urged disturbed cattlemen to drop their "unwarranted pessimism" about declining prices and to stop dumping beef cattle on the market.

"The United States economy is fundamentally strong," Benson said. "Employment and incomes are higher than ever before. This promises more stability to cattle prices, particularly since reductions due this year in the supply of pork will bolster the market for cattle."

Benson promised no Government action to help stabilize cattle prices. There are no price support programs for meat animals, although they are permitted by law.

Benson's appeal for an "orderly pattern" of cattle marketing—

The colloquy in this part of the debate was between the junior Senator from Minnesota and the junior Senator from Oklahoma. At that time I said:

Mr. President, the argument of orderly marketing needs careful examination. It is impossible to have orderly marketing in a depressed-price economy, unless there is extended extensive long-term credit. The reason there is disorderly marketing in the agricultural field today, particularly in regard to livestock, as the Senator from Oklahoma has pointed out, is that when the note comes due, the signer of the note pays; and how does he pay? He has to sell, and every

time he sells in a depressed market, the price continues to go down, which in turn means that he must sell more in order to pay the note he signed at a time of high prices.

On February 6, 1953, as shown on page 930 of the RECORD, the senior Senator from Oklahoma [Mr. KERR] was speaking on the subject, Price Supports for Beef Cattle. The statement of the Senator from Oklahoma is as follows:

Mr. KERR. Mr. President, on January 7, I introduced Senate bill 115, the purpose of which, among other things, was to direct the Secretary of Agriculture to make available through loans, purchases, or other operations under existing law, price support for a number of additional farm commodities at 100 percent of parity. One of the items covered by the bill is beef cattle.

Then the Senator from Oklahoma pointed out that the bill would direct the Secretary to use \$25 million yearly from funds in the hands of the Commodity Credit Corporation to support the price of beef cattle.

The Senator went on in his argument to point out what had been happening in the cattle market. My point is that the Senator from Oklahoma has been early and often with constructive suggestions. I wish to say that when the debate occurred in the Senate in 1949 about a price-support program at 90 percent of parity, a program that has been a lifesaver for wheat and grain producers, and for many other areas of the American agricultural economy, the senior Senator from Oklahoma was also present and helping out in that fight.

No one wishes to say these problems are easy. But I think it is unkind and unwarranted to say that any Member of the Senate has depressed farm prices. If anyone in the United States has been frightened by a depression of farm prices he has been frightened by the Secretary of Agriculture, who repeatedly tells the American farmer that he can more or less go it alone. The business of going it alone has become something more than international; it has become domestic.

While the hour is late, it is important that Congress pass some kind of legislation that will be helpful and fruitful. It is not right to say or to insinuate that the senior Senator from Oklahoma has been anything other than a vigorous, effective friend of American agriculture. I, as one Senator, pay deserved tribute to him. I pay the same tribute to the chairman of the Committee on Agriculture and Forestry.

There is a difference of opinion, but surely no Senator is trying to depress prices. I do not go home to a meeting of 1,500 farmers to hear about their prices being depressed; but farmers gather together today because they are worried about depressed prices. They are sick and tired of being told that nothing can be done about it. The senior Senator from Oklahoma has provided constructive suggestions which merit the serious consideration of the Secretary of Agriculture and of Congress.

Mr. KERR. Mr. President, I am grateful to the junior Senator from Minnesota. I have the highest regard for the sincerity of the chairman of the Committee on Agriculture and Forestry. It

has never occurred to me that he did not believe in what he has advocated here. I deeply regret that I have impressed him in such a way that he is convinced that I am insincere in what I have advocated. I am amazed that he would take unto himself, in addition to all the other burdens of his office, both the prerogative and the job of judging me.

I welcome him to come to Oklahoma and to stand before the cattlemen of that State, who are today bankrupt, and to say to them that what the senior Senator from Oklahoma and the junior Senator from Oklahoma have fought for on the floor of the Senate has contributed to their bankrupt condition. I have here the words of cattlemen, and I shall read a few of them into the RECORD.

The first is a telegram from Cordell, Okla.:

Farmers and ranchers in this area interested in floor on cattle price along with feed program. Don't want to put more money in cattle without knowing they will get a return.

CORDELL CHAMBER OF COMMERCE,
HOUSTON HULIN, President.

The next telegram is from Holdenville, Okla.:

We urge you to put support under livestock. Don't allow rich cattlemen to break small cattlemen. Pastures burned, feed scarce, present price confiscating herds. Average cattlemen facing bankruptcy. Help the little man. Stop Peron beef.

STONA FITCH,
President, Hughs County Cattle-
men's Association.

I have a telegram from Dalhart, in the great State of Texas, under date of July 5:

HON. ROBERT S. KERR,

United States Senator:

"We congratulate you on your stand for price supports on live cattle. We contend that the industry cannot exist without support prices when other commodities have them. That the position taken by the different cattlemen's organizations against supports does not represent the views of average or smaller producers. We were at the Lubbock meeting and the statement by Secretary Benson since the meeting did not represent the sentiment of the committees present regarding price supports.

S. E. Brown, O. H. Finch, Floyd Elliott,
Abe Miller, A. Q. Bonner, Carl Kuper,
Glen Johnson, Arnold Tovrea, R.
Miller, Joe Keast, R. C. Johnson, Guy
McBurnett, W. O. Culbertson.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield to the Senator from Tennessee.

Mr. GORE. If the same test by which the distinguished and able Senator from Oklahoma has been condemned were applied to these farm leaders, would not they, too, stand branded, not as friends, but as enemies of the farmer?

Mr. KERR. I appreciate the question, and I must say that I am compelled to answer in the affirmative. What I am now advocating and what I have advocated heretofore is what the embattled farmers of my State have pleaded for, urged, petitioned for, and demanded.

I was present, after I made my remarks a while ago, when the distinguished Senator from Vermont rose and ridiculed the farmers and cattlemen of

floor on cattle prices and to make feed stuff available for them to buy. No special loans necessary.

BILLIE BRYAN,
Manager, Caddo Electric Cooperative.

The following telegram comes from Boise City, Okla., which is joined on the north by Kansas, on the west by New Mexico, on the northwest by Colorado, on the south by Texas, and in the east by more of Oklahoma:

BOISE CITY, OKLA., July 2, 1953.

Hon. ROBERT S. KERR,

Senate Office Building:

It is hereby resolved by the farmers and ranchers of Cimarron County that the Secretary of Agriculture use his powers to invoke controls; set parity prices under all grades of cattle.

CIMARRON COUNTY FARM AND CATTLE ASSOCIATION.

The following telegram comes from El Reno, Okla.:

EL RENO, OKLA., July 2, 1953.

Senator ROBERT S. KERR,

United States Senate,

Washington, D. C.:

Joint meeting Canadian County Mobilization Committee, farmers, ranchers and bankers, July 2, directed chairman to wire favoring price support of beef at producer level. Believed present plans for emergency aid may not retard liquidation of foundation herds.

JACK E. ROBINSON,
Drought Emergency Committee.

FIRST NATIONAL BANK,
El Reno, Okla.

CIT'ZENS NATIONAL BANK,
El Reno, Okla.

FIRST NATIONAL BANK,
Calumet, Okla.

FIRST NATIONAL BANK,
Yukon, Okla.

FIRST BANK OF OKARCHE,
Okarche, Okla.

W. H. JORDAN,
Committee member.

The following telegram comes from Oklahoma City, Okla.:

OKLAHOMA CITY, OKLA., June 22, 1953.

Senator ROBERT S. KERR,

Washington, D. C.:

Continued drought and depressed cattle prices causing herds to be liquidated in unprecedented numbers. Urge immediate action by Secretary of Agriculture to use existing authority to support cattle prices at 100 percent or not less than 90 percent of parity. Such action to be in addition to any proposed stopgap purchase of processed beef. Such direct purchase will help processors but will do little to support prices to producers and prevent herd liquidation. If direct purchase is made. Urge it be made on contractual basis with processors on guaranty that such support will be passed on to producers. In addition to immediate price-support announcement, need Government assurance of adequate credit to carry producers through disaster period.

HOMER DUFFY,
President, Oklahoma Farmers Union.

The following telegram comes from Stigler, Okla.:

STIGLER, OKLA., June 29, 1953.

Hon. BOB KERR,

United States Senator:

Severe drought and price drop threatens farmers and cattlemen in Haskell County. Meeting at June 27, 1953, cattlemen suggest 90 percent parity.

BOARD COUNTY COMMISSIONERS,
JIM THOMPSON,
BILL PRINCE,
E. E. HENDRIX.

The following telegram comes from Frederick, Okla.:

FREDERICK, OKLA., July 3, 1953.

Hon. ROBERT S. KERR,

Senate Office Building:

Stockmen called in by drought relief committee to determine needs of county under program recommended unanimously that immediate support prices 90 percent parity on livestock be established.

WAYNE C. LILES,

Secretary, Tillman County Drought Relief Committee.

Mr. President, it is not my purpose to labor this question. These telegrams are but a few of the hundreds of communications I have received from every section of Oklahoma and from many other States.

I say to you, Mr. President, that the only way to support the price of cattle is to support the price of cattle. Much as I favor all the provisions of the pending measure, I say it is still inadequate without this amendment. I urge adoption of the amendment.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. KERR].

Mr. KNOWLAND obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Mr. President, it is not my intention to take up any considerable time in discussing this bill. The need for relief in the drought area is too severe to permit of much delay.

As a practical man, I recognize that this measure is the fastest means of rushing some aid to Texas and the rest of the stricken Southwest. For that reason, I have joined in sponsoring the bill before us, and for that reason I urge its speedy passage.

But I would not want my vote on the bill to be interpreted as indicating a belief on my part that this measure—the program of the Secretary of Agriculture—is the answer to the drought problem. It is the beginning of the answer. It will hold out some hope to some of the suffering ranchers and stockmen. More far-reaching measures, however, will be essential to take us through this crisis.

The greater bulk of the provisions of this, the Agriculture Department's bill, sets up a loan program. It is a restricted program. The loans may be made only to established ranchers or stockmen. Those who receive the loans must have a good record of operations. They must have a reasonable chance of working out of their difficulties with supplementary financing. Their present creditors must be willing to work with the borrower to the extent of executing standby agreements for reasonable periods of time. The loans will bear 5 percent interest. The loans must be approved by special area committees.

Mr. President, these provisions could—if strictly interpreted—leave many small ranchers and stockmen without the aid they need.

There are on my desk many letters from ranchers in the drought area. They

are experienced men—men who have been in the cattle business all their lives. They are also men who have lived with drought for many years. In the past year or two, they have been unable to make a profit. Despite their experience and skill, heat and dry land have been too much for them.

These losses—losses which no amount of initiative could have avoided—could be interpreted as a "poor" record of operations. They could be considered as a disqualification for a loan.

The aid authorized in the bill is allowable only to "established" farmers, ranchers, and stockmen. I would feel happier if we had a better idea of the meaning of the word "established," and the interpretation that will be placed on it.

Does this clause mean that a young man who set himself up as a farmer or rancher 2 or 3 years ago is not eligible for aid? Does it mean that he must operate a large farm or ranch in order to receive a loan? Does it mean that he must have a record of profitable operation extending back over a number of years?

One of the greatest problems in the drought area is brought about by the extent to which commercial credit is being called. There is a strong need for some method of refinancing or of temporarily postponing these calls. The only part of this bill which would meet this need is the provision which says that "creditors must be willing to work with the borrower" in the execution of standby agreements. Does this mean that a rancher will be unable to obtain a loan if his present creditors refuse to enter into standby agreements?

Mr. President, legislation is always a compromise. To offer amendments to this bill—a bill which already has the approval of the Secretary of Agriculture and, presumably, of the President—would lead to protracted delays.

I am not willing to be responsible for such delays. This measure will be of some help. Any degree of help will be welcomed. Consequently, I am voting for this bill, despite its limitations; and I am urging my colleagues to do the same.

The legislative record should be clear, however. We should let the Secretary of Agriculture know that we are expecting a liberal interpretation to be made of the terms of this bill.

We should express the view that the ordinary terms of commercial money lending do not apply to a drought disaster situation.

A loan program by itself does not attack the foundation of the problem.

It does not stabilize the market or even offer an opportunity of stabilizing the market.

Farmers and ranchers will not borrow more money—go deeper into debt—unless they have a reasonable prospect of selling their products at a fair return. Nothing in this bill holds out such a prospect.

The Secretary of Agriculture already has the authority to take the necessary steps. He can launch a vigorous pro-

gram to bring feed prices and cattle prices into line.

The ranchers and stockmen are looking to him to take those steps. It is their hope—and my hope—that Congress will not have to do the job for him.

Mr. President, the junior Senator from Texas [Mr. DANIEL] is presently in Texas, on official business, by leave of the Senate. He was one of the original cosponsors of this emergency legislation. At his request, I want the RECORD to show that if the junior Senator from Texas were here, he would vote for this bill as an essential first step toward necessary relief of the critical drought situation in our State.

Mr. President, I thank the Senator from California for yielding to me.

Mr. AIKEN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Vermont.

Mr. AIKEN. It is not my purpose to refer to the remarks of the Senator from Oklahoma tonight, regarding the effect of the proposed legislation. I do, however, want to refer to the remarks of the Senator from Oregon.

Mr. KNOWLAND. Mr. President, I would appreciate it if the Senator from Vermont would be good enough to indicate how much time he will require.

Mr. AIKEN. About a minute.

Mr. KNOWLAND. I yield to the Senator from Vermont for an additional minute.

Mr. AIKEN. The remarks of the Senator from Oregon in connection with the reading of a list of consultants or advisers who were called in by the Secretary of Agriculture, would leave the inference that all the consultants were bankers. It is true that the Secretary of Agriculture called in a group of bankers who were financially interested in the cattle situation as it existed at that time; but I want to make it clear that the Secretary of Agriculture also called in a large number of cattlemen, although naturally he did not call them in at the same time he called in the bankers. I do not think the inference should be left in the RECORD that the Secretary is depending solely upon the advice of bankers as to cattle prices. Since the hour is late, I shall not ask unanimous consent to place a list of the cattlemen who were called in by the Secretary of Agriculture as advisers, but I shall do so tomorrow.

Mr. MALONE. Mr. President, will the Senator from California yield, that I may propound a question to the Senator from Vermont?

Mr. KNOWLAND. I yield to the Senator from Nevada for that purpose.

Mr. MALONE. I should like to ask the distinguished chairman of the Committee on Agriculture and Forestry whether there has been any consideration given to the numerous suggestions that have been made from time to time to the effect that some arrangement be considered whereby there might be support for bankers' loans to the cattlemen, not particularly within disaster areas, but in areas that could very well experience disaster if some effective plan is not finally worked out for permanent loans, that is to say, 2- or 3-year loans?

Mr. AIKEN. I may say that I received 5 or 6 identical telegrams from bankers in the State of Oklahoma, urging that loans to the cattlemen be made through the banks, and that the banks be guaranteed against losses on the loans, as well as some profit for making the loans. But the committee did not spend time on the consideration of that matter, because it was felt that the most important thing we could do would be to get the pending legislation passed as soon as possible. Every day it is delayed means loss to the cattlemen of Texas, Oklahoma, and other afflicted areas.

I had hoped we could complete our consideration of the pending measure today, but unforeseen circumstances have made it impossible. I hope that we can conclude it tomorrow, or, at least, that we can conclude it this week. But I may say there is no reason why the Secretary of Agriculture and the Department of Agriculture cannot take into consideration the proposal with respect to the handling of loans, and there is no reason why they cannot consider handling the loans in any way they may see fit, through banks or otherwise. But the Department felt that in the interest of speed it was better not to work out, or attempt to work out, a program now, but, as quickly as possible, to get help to the people who need help, at a time when every hour's delay would mean more loss.

Mr. MALONE. Mr. President, will the Senator yield, that I may ask a question of the Senator from Vermont?

Mr. KNOWLAND. I yield for that purpose.

Mr. MALONE. There are areas, such as the western area, which, at least at this time, would not be classed as drought areas, but which, because of a lack of feed at a price that can be paid by the cattlemen, in view of what the cattle would bring on the market eventually, could well develop into disaster areas of another type. I merely wondered whether consideration had been given, not to guaranteeing the entire loan, but possibly a certain percentage, as has been done in times past in other situations.

I may say, however, that I agree with the Senator that this is an emergency measure, and that something should be done, if not immediately, then as rapidly as possible. But am I correct in saying that consideration has been given to the proposal to which I refer, or that consideration will be given in the near future to it?

Mr. AIKEN. The committee is giving constant consideration to all proposals of that nature. But there are only two types of loan proposed under the pending measure. The first has to do with loans to farmers of all kinds, who are in areas that have been declared to be disaster areas, and who have suffered economic disaster; and that is proposed to be a permanent part of the law. The second type of loan is that represented by the language of section 2 (c), which provides for loans to producers of cattle, goats, and sheep, wherever located, under certain conditions.

Mr. MALONE. I thank the distinguished Senator, the chairman of the committee.

Mr. MORSE. Mr. President, will the Senator yield for 2 or 3 minutes, for a brief comment on the statement of the Senator from Vermont?

Mr. KNOWLAND. I yield 3 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I am one of the cosponsors of the bill of the Senator from Vermont, and I am as much in favor of it tonight as I was when I cosponsored it initially. I think, however, there should be reasonable amendments to it. That is why I desired to clear up the question of the feeding problem.

I am willing to remain here and get the bill passed this evening, but the majority leader has given us a very good reason for not doing so. I think the bill is a "must" bill. We should pass it tomorrow as emergency legislation, and then deal with amendments with reference to the agricultural problem in the field of the cattle industry.

I think the Senator from Vermont [Mr. AIKEN] has completely misinterpreted the import and the intent of the press release which I read into the RECORD from the Department of Agriculture, dated March 4, 1953. I did not say that the Secretary of Agriculture had not called in agricultural consultants at some other time, but I pointed out that on March 4, 1953, he issued an official release from his office based upon the financial advice he obtained solely from a group of bankers, insurance company executives, and financiers, which I thought reinforced the point which the Senator from Oklahoma [Mr. KERR] was making at the time.

Talking about who destroyed confidence, Mr. President, I think such a release as the one sent out to the farmers and to the people of the country created a false impression as to the situation which confronted the country at that time.

I repeat, Mr. President, that in my judgment, the Secretary of Agriculture should have gotten advice from the people who were confronted with the financial problem at that time. Doing it subsequently does not change the fact that this impression was created on March 4 by the Secretary of Agriculture. That is the point I made, and that is the point that reinforced the argument which the Senator from Oklahoma was making at the time.

Mr. GRISWOLD. Mr. President, it is my desire to introduce as a substitute for the amendment offered by the Senator from Oklahoma [Mr. KERR] an amendment which I have prepared, and I ask that I may be permitted to offer it as a substitute for the amendment of the Senator from Oklahoma.

Mr. KNOWLAND. Mr. President, I do not think the Senator needs unanimous consent to offer his amendment.

Mr. GRISWOLD. I should like to offer it at this time so that it may be printed.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska will be received and printed.

The amendment submitted by Mr. GRISWOLD as a substitute for Mr. KERR's amendment is as follows:

At the end of the bill add a new section, as follows:

"Sec. 3. (a) In order to bring about such reductions in the number of cattle in the United States as are necessary to establish an economic balance between the Nation's supply of cattle and the present and expected future demands for beef and beef products, and in order to minimize losses to producers in accomplishing such reductions, the Secretary of Agriculture is authorized and directed, in accordance with such rules and regulations as he shall prescribe—

"(1) to purchase brood cows in such numbers, at such times prior to July 1, 1954, at such places, at such prices (not less than 10 cents per pound), and upon such other terms and conditions as he may deem necessary to effectuate the purposes of this section;

"(2) to contract for the slaughtering of such brood cows and for the processing, canning, transportation, and storage of the products thereof;

"(3) to hold and dispose of such products at such times and at such prices as he shall determine, including disposition for the purpose of providing assistance or relief to foreign countries under laws in effect or hereafter enacted; and

"(b) The Secretary is authorized to utilize the facilities and funds of the Commodity Credit Corporation in carrying out the provisions of this section."

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, as I indicated earlier in the day, it is my intention to move that the Senate take a recess until 12 o'clock noon tomorrow.

I understand there are a number of short speeches to be made and a number of insertions to be made in the RECORD before the session for today ends. I wish to have Senators have an opportunity to make such speeches or such insertions before today's session ends.

However, because of the fact that we expect to have night sessions tomorrow night, the following night, and very likely Saturday night, and because of the fact that the clerks at the desk and the Official Reporters work long hours, even longer than the hours Senators work, I hope we shall be able to conclude the session for today in the next 15 minutes or so, and then take a recess until tomorrow.

LONG-TERM CONTRACTS FOR ELECTRIC POWER FOR ATOMIC ENERGY PLANTS AT OAK RIDGE, PADUCAH, AND PORTSMOUTH

Mr. HICKENLOOPER. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield to the Senator from Iowa, to permit him to make an insertion in the RECORD.

Mr. HICKENLOOPER. Mr. President, on Monday, in connection with the consideration of Senate bill 2239, a bill to enable the Atomic Energy Commission to enter into long-term contracts for electric power to supply certain plants at Oak Ridge, Paducah, and Portsmouth, the Senator from Oregon [Mr. MORSE] asked a number of questions, which he

kindly furnished to me in writing. I have asked the Joint Committee on Atomic Energy to have the answers to the questions compiled, in cooperation and collaboration with the Atomic Energy Commission.

This afternoon I have submitted those answers, together with a letter of transmittal, to the Senator from Oregon, to whom I have also furnished a copy of a letter of approval of the answers insofar as the Atomic Energy Commission is concerned.

For the information of the Senate, I now ask unanimous consent that my letter of transmittal to the Senator from Oregon, a letter signed by Mr. M. W. Boyer, General Manager of the Atomic Energy Commission, and the attached questions of the Senator from Oregon and the answers thereto, all of which are set forth individually, be printed at an appropriate place in the RECORD, so that they may be available to the Members of the Senate.

There being no objection, the letters and documents were ordered to be printed in the RECORD, as follows:

UNITED STATES ATOMIC
ENERGY COMMISSION,
Washington, D. C., July 8, 1953.

HON. BOURKE B. HICKENLOOPER,
United States Senate.

DEAR SENATOR HICKENLOOPER: I have reviewed the attached answers to questions raised by Senator WAYNE MORSE on the floor of the Senate July 6 concerning S. 2239 which were prepared by the staff of the Joint Committee on Atomic Energy in cooperation with the Commission's staff.

These answers have our concurrence and endorsement.

Sincerely,
M. W. BOYER, General Manager.

JULY 8, 1953.

HON. WAYNE MORSE,
United States Senate.

DEAR SENATOR MORSE: I take pleasure in providing the following answers to the questions you raised on the floor of the Senate July 6 concerning S. 2239, the bill to enable the Atomic Energy Commission to enter into long-term contracts for electric power to supply the demands of the gaseous diffusion plants at Oak Ridge, Paducah, and Portsmouth.

Sincerely yours,
B. B. HICKENLOOPER.

Question. It is my understanding that the amount provided for cancellation, although declared not to be excessive by the Federal Power Commission, is quite large due to the fact that AEC's bargaining position was weakened by lack of authority to provide its own electric power.

Answer. AEC originally requested, in connection with the supply of power to the Portsmouth plant, sufficient funds to allow AEC, in the alternative, to construct its own generating stations or to contract with the utility companies in that area for its power supply. After transmission of this appropriation request, and before action by the House Appropriations Committee, AEC received a proposal from the utility companies. Meanwhile AEC had employed the consulting engineering firm, Sargent & Lundy, of Chicago, to determine the cost of power if AEC were to build its own steam powerplants to supply electric power to the gaseous diffusion plant at Portsmouth.

The consulting engineers' report showed that the estimated cost of power from AEC plants would be approximately the same as the rates proposed by OVEC.

On the basis of these facts the AEC advised the House Appropriations Committee that funds for construction of the Government-owned facilities would not be necessary. Instead, AEC requested language authorizing it to enter into a long-term contract with the utility companies.

Question. Why is the capital cost for providing 2,935,000 kilowatts by TVA \$65 million less than the cost of providing 2,535,000 kilowatts by Electric Energy, Inc. (EEI), and Ohio Valley Electric Corp. (OVEC)?

Answer. The capital costs of facilities for TVA and for the private utilities are not directly comparable. The TVA costs shown in this table on page 3 of the committee's report are based on an AEC estimate of the cost of TVA generating-plant capacity needed to supply the AEC load. The TVA rates were negotiated on the basis that the power to be supplied AEC would come from the TVA system but not from any specific plants. Therefore, in computing the TVA rates no facility costs were included. However, in the case of OVEC and EEI, the construction of plants to supply AEC needs is required. In these cases, therefore, facility costs are part of the contract and are taken into consideration in computing power rates.

The amount for TVA shown in the table on page 3 of the committee report does not include costs of existing transmission lines, barging facilities, and coal supply facilities. If these costs are added to TVA's capital costs, it is estimated there will be little if any difference between TVA's total costs and the total costs of the private utilities.

Question. Why are the cancellation payments to TVA \$80 million less than that to be paid to private utilities, should the contracts be cancelled?

Answer. While it is true that the maximum possible cancellation costs of the two private utility companies total \$210 million, whereas the maximum cancellation cost of the TVA total \$130 million, or a difference of \$80 million, the conditions under which cancellation actually occurs would cause this figure to vary greatly.

To achieve the maximum cancellation payments AEC would have to decide to shut down its operating plants at Oak Ridge and Paducah in July 1955, meanwhile continuing construction on Portsmouth and then in July 1956 shut Portsmouth down just as it was coming into full operation: a legally conceivable condition but a most abnormal one from an operating standpoint.

The following examples will illustrate:

Example 1: Assuming that utilities are notified on July 1, 1960, that all 3 gaseous diffusion plants will be shut down (a) immediately, (b) in 1 year, (c) in 2 years, and (d) in 4 years.

Cancellation costs in millions

July 1960	TVA	EEI	OVEC	Total
No notice.....	\$131	\$40	\$122	\$293
1 year.....	92	27	93	212
2 years.....	53	20	63	136
4 years.....	1	8	48	57

Example 2: Assuming that utilities are notified on July 1, 1965, that all 3 gaseous diffusion plants will be shut down (a) immediately, (b) in 1 year, (c) in 2 years, and (d) in 4 years.

Cancellation costs in millions

July 1965	TVA	EEI	OVEC	Total
No notice.....	\$131	\$25	\$82	\$238
1 year.....	92	12	62	166
2 years.....	53	5	25	83
4 years.....	1	4	11	16

Example 3: Assuming that TVA, and EEI are notified on July 1, 1963 that Oak Ridge and Paducah the older of the 3 plants will

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 10, 1953
For actions of July 9, 1953
83rd-1st, No. 126

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HIGHLIGHT: Both Houses passed drought-relief bill, and it was sent to conference.

SENATE

1. DROUGHT RELIEF. Passed with amendments H. R. 6054, the drought-relief bill, in lieu of S. 2267 but with the language of the Senate bill (pp. 8574, 8590-604).
Rejected the following amendments:
By Sen. Griswold, to require purchase of brood cows at 10 cents or more a pound (p. 8603).
By Sen. Kerr, to require price supports on cattle at 90 percent of parity (p. 8603).
Sens. Aiken, Thyne, Hickenlooper, Holland, and Anderson were appointed conferees (pp. 8603-4).
2. WHEAT QUOTAS; DROUGHT RELIEF. Sen. Kerr submitted an amendment which he intends to propose to S. 2099, the wheat marketing quota bill, to exempt disaster areas from such quotas in 1954 (pp. 8573-4).
3. CHEESE IMPORTS. Sen. Humphrey inserted a letter from W. E. Swain analyzing problems in connection with restrictions on cheese imports (pp. 8604-5).
4. TRADE AGREEMENTS. Both Houses received the President's report on inclusion of escape clauses in trade agreements (pp. 8571, 8518-9)(H. Doc. 205).
5. LEGISLATIVE PROGRAM as announced by Sen. Knowland: Fri., 2nd independent offices appropriation bill; Sat., wheat-quotas bill; next week, wheat agreement bill (pp. 8605-6).

HOUSE

6. DROUGHT RELIEF. Passed, 388-4, with amendments H. R. 6054, the drought-relief bill (pp. 8510-34).
Agreed to an amendment by Rep. Jones, Mo., specifying the use of CCC, PIA, and

FHA in carrying out the bill (pp. 8529-30).

Rejected the following amendments:

By Rep. Gross, to reduce the minimum interest rate from 5% to 3%, by a 14-54 vote (pp. 8527-9).

By Rep. Whitten, to provide for Farmers' Home Administration to administer the bill as part of the present program (pp. 8531-2).

By Rep. Rogers, Tex., to eliminate the requirement for a good record of past operations as a prerequisite for livestock loans (pp. 8530-1).

By Rep. Marshall, to delete the minimum limit of \$2,500 for livestock loans, by a 27-46 vote (p. 8533).

Reps. Hope, Andresen, Hill, Cooley, and Poage were appointed conferees (p. 8563).

7. **ELECTRIFICATION.** Passed, 262-120, with amendment H. R. 4351, authorizing construction of additional power facilities on the Niagara River (pp. 8534-63). Agreed to an amendment by Rep. McGregor that deleted the "recapture clause", which would have permitted a Federal agency, after Mar. 2, 1971, to purchase the power facilities (p. 8560).

Rejected the following amendments:

By Rep. Becker, by a division vote of 17-136, to substitute the provisions of H. R. 5335 for this bill (pp. 8556-60).

By Rep. Steed, by a division vote of 41-109, to delete Sec. 6, making provisions of this bill paramount in the event of conflict with the Federal Power Act (p. 8560).

By Rep. Roosevelt which would have given a municipality, rural cooperative, New York State, or any Federal agency needing power for national defense to obtain it before any private company (p. 8561).

8. **FOREIGN TRADE.** The Ways and Means Committee reported without amendment H. R. 5877, the customs simplification bill, and the Rules Committee reported a resolution providing for its consideration (H. Rept. 760) (pp. 8569, D681).

9. **HOLIDAY.** The Judiciary Committee reported with amendments H. J. Res. 118, to designate May 1 in each year as Loyalty Day (H. Rept. 759) (p. 8569).

10. **TAXATION.** The Rules Committee reported a resolution providing for the consideration of H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (p. 8534).

BILLS INTRODUCED

11. **PERSONNEL.** H. R. 6185, by Rep. St. George, to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans; to Post Office and Civil Service Committee (p. 8569).

12. **GRAZING LANDS.** H. R. 6186, by Rep. Dewart, to authorize the Secretary of the Interior to grant a preference right to users of withdrawn public lands for grazing purposes when the lands are restored from the withdrawal; to Interior and Insular Affairs Committee (p. 8569).

13. **BANKING AND CURRENCY.** S. 2332, by Sen. Bridges, to resume the redemption of currency in gold in order to restrain further deterioration of the dollar and to curb further inflation; to Banking and Currency Committee (p. 8573). Remarks of author (pp. 8580-2.).

14. **WOOL.** S. 2333, by Sen. Mundt, to amend title III of the act of March 3, 1933, so as to insure that preference will be given, in the acquisition of wool and wool products by the Federal Government, to wool produced and wool products manufactured within the United States; to Interstate and Foreign Commerce Committee (p. 8573).

By Mr. TOBEY, from the Committee on Interstate and Foreign Commerce:

S. 1402. A bill to amend the Air Commerce Act of 1926, as amended, to authorize navigation of foreign, nontransport, civil aircraft in the United States through reciprocity and under regulations of the Civil Aeronautics Board; with an amendment (Rept. No. 512).

H. R. 1026. A bill to amend the Public Health Service Act, with respect to the provisions of certain medical and dental treatment and hospitalization for certain officers and employees of the former Lighthouse Service and for dependents and widows of officers and employees of such Service; without amendment (Rept. No. 511).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG:

S. 2328. A bill for the relief of August Koehler and Emilia Koehler; to the Committee on the Judiciary.

By Mr. HUNT:

S. 2329. A bill for the relief of Garabed Papazian; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 2330. A bill to provide for the use of the tribal funds of the Southern Ute Tribe of the Southern Ute Reservation, to authorize a per capita payment out of such funds, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BUSH:

S. 2331. A bill for the relief of Battista Dino Borelli and Franca Canesi Borelli; to the Committee on the Judiciary.

By Mr. BRIDGES:

S. 2332. A bill to resume the redemption of currency in gold in order to restrain further deterioration of the dollar and to curb further inflation, and for other purposes; to the Committee on Banking and Currency. (See the remarks of Mr. BRIDGES when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S. 2333. A bill to amend title III of the act of March 3, 1933, so as to insure that preference will be given, in the acquisition of wool and wool products by the Federal Government, to wool produced and wool products manufactured within the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. PURTELL:

S. 2334. A bill for the relief of Margaret Wei-Chin Mun; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2335. A bill for the relief of Hal A. Marchant; and

S. 2336. A bill for the relief of Frederick Stooft; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 2337. A bill for the relief of Jose Alvarez; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 2338. A bill for the relief of Madaline Margaret Smith; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2339. A bill for the relief of certain Pakistan aliens; to the Committee on the Judiciary.

RIGHT OF SELF-GOVERNMENT BY PEOPLES OF ALL NATIONS

Mr. GILLETTE. Mr. President, on Wednesday last week the Senate debated at some length the importance of an expression of United States policy in favor of independence for the Associated

States comprising French Indochina. An effort to formulate this expression as an amendment to the foreign aid bill was defeated by a vote of 64 to 17. While this heavy vote was a recognition by the Senate that such legislation should not be used to impose conditions on a recipient country, particularly in its relations with other countries, it would be a grave mistake for anyone to misconstrue that vote as a true expression of the sentiments of this body with regard to colonialism.

It was this thought, I am sure, that prompted the junior Senator from Michigan to introduce his resolution on Thursday, seeking an expression of the desire of Congress to see the peoples of Cambodia, Laos, and Vietnam attain their goals of freedom, independence, and self-government.

Meanwhile, also last week, the Senate passed a resolution with respect to East Germany, expressing the conviction that "the people of East Germany are entitled to their basic, inalienable, God-given rights and freedoms for which they are now struggling."

Thus, Mr. President, within the past few days the Senate has twice taken action leading to a declaration with regard to freedom and independence for colonial peoples in one part of the world and for Communist-dominated people in another part of the world. I am persuaded that these efforts are a true reflection of the fundamental beliefs of the American people and should so be interpreted abroad. But I do not consider these efforts sufficient.

At the same time, I believe it is important to make it unmistakably clear that the Senate is concerned with freedom, independence and self-government not only for the peoples of one part of the world or another, but for all peoples everywhere who are struggling for liberty and self-determination.

In other countries behind the Iron Curtain there are at this very moment desperate struggles by oppressed peoples to liberate themselves from the yoke of foreign Communist oppression. What is happening in East Germany is being repeated in other parts of the Soviet Empire. In my judgment, the Senate of the United States should not restrict its expression of sympathy and support only to the valiant people in the eastern zone of Germany, but should declare itself with regard to all peoples suffering under Soviet domination. This is indeed incumbent on us if we are to continue in the spirit of the great Atlantic Charter.

Furthermore, the peoples of the Associated States of Cambodia, Laos, and Viet-Nam are not the only peoples in Asia, or in the Middle East and Africa, who today are striving to liberate themselves from foreign control and to establish independent self-government. Although the struggles of many of these other colonial or dependent peoples have fortunately not been transformed into the kind of armed conflict that is wracking Indochina, unless efforts are made to recognize the rights to freedom and self-determination of these other peoples,

their present political struggle for these rights may well degenerate, under the impulsion of Communist agents, into open warfare.

Therefore, Mr. President, I am convinced that it is the responsibility of the Senate to express its sentiments with respect to all peoples, wherever they may be in the world, who are seeking independence, freedom, and the right to a government of their own choice.

I submit for appropriate reference a resolution relating to the subject matter to which I have just referred.

The resolution (S. Res. 138) submitted by Mr. GILLETTE was received and referred to the Committee on Foreign Relations, as follows:

Whereas it is the United States policy to uphold the purposes and principles of the United Nations Charter and the Declaration of Principles of the Atlantic Charter; and

Whereas one of the purposes of the United Nations Charter is "to develop friendly relations among nations based on respect for the principle of equal rights and self-determination;" and

Whereas one of the principles of the Atlantic Charter is to "respect the right of all peoples to choose the form of government under which they will live" and "to see sovereign rights and self-government restored to those who have been forcibly deprived of them;" and

Whereas there are many nations with which the United States wishes to develop friendly relations but which do not enjoy equal rights and self-determination, and many nations which do not enjoy the right to choose the form of government under which they live, or which have been forcibly deprived of their sovereign rights and self-government; and

Whereas there is clear and growing evidence of the determination of the peoples of such nations to achieve equal rights, self-determination, sovereign rights, and self-government; and

Whereas it is in the interests of the United States and of free peoples throughout the world that these peoples liberate themselves from foreign domination in order to, and in such manner as to strengthen the forces of freedom and weaken the forces of totalitarian dictatorship; and

Whereas the American people have pursued a traditional dedication to political liberty and a traditional opposition to all forms of imperialism: Now, therefore, be it

Resolved, That in reaffirming the policy of the United States to uphold the purposes and principles of the United Nations Charter and of the Atlantic Charter and to assist free peoples to retain their freedom and independence, the Senate further declares it should be the policy of this Government: (1) To respect the right of all peoples to choose the form of government under they will live, (2) to encourage restoration of sovereign rights and self-government to those who have been forcibly deprived of them, (3) to support the aspirations for freedom and the orderly development of self-government of colonial peoples throughout the world; and (4) to assist, as soon as it may become practicable, in developing the human and material resources of such peoples.

AMENDMENT OF WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938—AMENDMENT

Mr. KERR. Mr. President, on behalf of myself, and my colleague, the junior

Senator from Oklahoma [Mr. MONRONEY], I submit an amendment intended to be proposed by us, jointly, to the bill (S. 2099) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes. I ask unanimous consent that the amendment be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, appropriately referred, and, without objection, will be printed in the RECORD, as requested by the Senator from Oklahoma.

The amendment submitted by Mr. KERR (for himself and Mr. MONRONEY), was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

On page 4, after line 24, insert the following:

"(c) By inserting in paragraph (7), immediately after the first sentence thereof, the following: A farm marketing quota on wheat shall not be applicable during the marketing year beginning in 1954 to any farm located within any area in which there has occurred during the calendar year 1953 a major disaster as determined by the President under section 2 (a) of the act entitled 'An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes,' approved September 30, 1950."

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred as indicated:

H. R. 5173. An act to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a \$200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes; to the Committee on Finance.

H. R. 6049. An act to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes; to the Committee on Labor and Public Welfare.

NOTICE OF PUBLIC HEARINGS ON SMALL-BUSINESS LEGISLATION

Mr. CAPEHART. Mr. President, on behalf of the Committee on Banking and Currency, I desire to give notice that public hearings will be held on H. R. 5141—Hill bill—and other bills pertaining to small-business legislation and to the termination of the Reconstruction Finance Corporation now pending before the committee.

The hearing will begin at 10 a. m. on Monday, July 13, 1953, in room 301, Senate Office Building.

NOTICE OF PUBLIC HEARINGS ON BANK HOLDING LEGISLATION

Mr. CAPEHART. Mr. President, on behalf of the Committee on Banking and Currency, I desire to give notice that public hearings will be held on S. 76 and S. 1118, to provide for the control and regulation of bank-holding companies,

beginning at 10 a. m. on July 21, 1953, and continuing through July 22-23, in room 301, Senate Office Building.

All persons who desire to appear and testify at the public hearings are requested to notify Mr. Ira Dixon, chief clerk, Committee on Banking and Currency, room 301, Senate Office Building, telephone National 8-3120, extension 992, as soon as possible.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. SCHOEPPPEL:

Address on conditions in the livestock industry, delivered by him on June 21, 1953, in Salina, Kans., before the National Livestock Auction Association.

By Mr. FLANDERS:

Radio address delivered by Levi P. Smith, president of Burlington, Vt., Savings Bank, on the subject of the savings bond program.

By Mr. GILLETTE:

Article entitled "The Attack on the U. N.," written by Ralph J. Bunche and published in the Progressive for June, 1953.

By Mr. WILEY:

Editorial entitled "Compromise With BRICKER" published in the Washington Post of July 9, 1953.

By Mr. THYE:

Article entitled "Ben's Post Office Stays the Same," written by Jack Wilson, published in Look magazine and reprinted in the Minneapolis Star of July 6, 1953.

By Mr. CLEMENTS:

Article entitled "GOP Forced To Postpone Its Drive for Hard Dollar," written by James Y. Newton, and published in the Washington (D. C.) Evening Star of July 7, 1953.

Editorial comment and articles from Louisville Courier-Journal, Washington Post, and New York Times, regarding a study of the work of Congress.

Article entitled "Dollar's Buying Power Hinges on Rival Aims of Agencies," written by James Y. Newton, and published in the Washington Evening Star of July 8, 1953.

By Mr. BYRD:

Article entitled "Congress Must Recover Its Control Over the Nation's Spending Power" written by Christian A. Herter, Governor of Massachusetts, and published in the Saturday Evening Post.

Article written by Jean Welke, and published in the Alexandria (Va.) Gazette of July 4, 1953, recounting the participation by Charles Farmer, Virginia's representative, in Connecticut's pageant honoring the French general, Rochambeau.

By Mr. POTTER:

Editorial entitled "Mr. Warren's Obstacle Course," from the New York Journal of Commerce of June 23, 1953, relating to the authority of the Comptroller General to review shipbuilding contracts.

By Mr. JACKSON:

Editorial regarding the Bonneville Power Administration, published in the Portland Oregonian of June 23, 1953.

Editorial regarding electric-power projects in the Pacific Northwest, published in the Seattle Times of June 15, 1953.

By Mr. MAGNUSON:

Article regarding the Hells Canyon Dam, written by Clay L. Cochran, and published in the June issue of the Rural Electrification magazine.

By Mr. HUMPHREY:

Address delivered by him at 13th national convention of Townsend Clubs of America.

Article entitled "Fitting the Facts," written by Alfred D. Stedman, and published in the St. Paul Sunday Pioneer Press.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, when the morning hour has been concluded, the Senate will have before it the unfinished business, the emergency drought legislation. When the Senate has completed action on that bill another bill on the calendar will be taken up, but I would then first propose to move that the Senate go into executive session for the consideration of the treaties that were reported on July 2, dealing with taxation and debt settlements. I would not move to take up today either the status of forces agreements or the wheat agreement. I make the statement so Senators may be advised. The Senate will hold a night session tonight.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, which is S. 2267.

The Senate resumed the consideration of the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. GRISWOLD], as a substitute for the amendment offered by the Senator from Oklahoma [Mr. KERR].

THE AIR FORCE BUDGET

Mr. WELKER. Mr. President, before I begin my remarks, I should like to ask my colleagues not to interrupt me during the speech. I hope they will appreciate the reason for my request. It is a rather lengthy speech. Therefore, I shall decline to yield during the course of it.

Mr. President, I wish to discuss with the Senate today the proposed reductions in the Air Force budget. I want the Senate to be advised that I do not personally know the Secretary of Defense, Mr. Wilson, or his associates, Mr. Kyes and Mr. McNeil, whose names have been mentioned on the floor of the Senate many times. I desire to say—leaving the text of my speech for a moment—that the people of Idaho, and I believe the people all over the Nation, know that I respect the military leadership of our great Commander in Chief, President Eisenhower. With this preliminary statement, I wish to direct a few remarks to the ever-present question of the reduction of the Air Force budget.

Since the days before World War II, the American people—and Congress as well—have maintained an intense interest in the state of the Nation's defenses. It is altogether proper that they should do so in the light of world conditions.

For this is a world in conflict, convulsed with passion and hatred. It is a world divided into two gigantic power blocs, each with massive military ma-

Ultimately there may be some losses as a result of diminishing morale and the deterioration of the property.

That takes us back, of course, to the basic act which is presently upon the books and under which we must operate. There is a provision in the act, section 9 (a), that when the issue is joined and a claim has been asserted, the property cannot be sold until that claim has been disposed of. Today there is a claim in court against every property which the Alien Property Office now holds. That includes the General Aniline property. As a matter of fact a number of claims have been asserted, including the Swiss claims. There is pending in the Federal court for the District of Columbia at the present time a suit which involves Interhandle, the Swiss interests, the interests of General Aniline, and the interests of the Property Office. A continuance was granted, as I understand.

I thought the case had come to a decision, and that on the basis of a writ of discovery which was filed there had to be a determination by June 15. But my information—whether correct or incorrect—is that a continuance was granted, and so the matter is presently pending.

We are, therefore, somewhat powerless to dispose of these properties unless some legal, constitutional way, can be found to deal with them. That issue was first raised in the course of the last seven hearings which we held. Incidentally, other hearings have been scheduled to begin on July 20, to be almost continuous in nature, with a variety of witnesses, to consider all the bills referred to the committee which have any identity with the Trading With the Enemy Act.

Some rather able lawyers have appeared before the committee. A very considerable doubt has been expressed as to whether or not constitutionally we can now enact legislation to sell these properties, escrow the proceeds, and let the claimants then proceed against the amount in escrow. There are claimants who are interested in the res, in the property, in the thing itself, rather than in the proceeds. They are interested in patent rights. They are interested in the possibility of conducting this kind of plant, dealing with dyestuffs, with intermediates, with drugs, and with chemicals, and making it the foundation of a very solid, established, and lucrative industry.

So one of the things with which we shall come to grips on the 20th of July will be this rather delicate constitutional question. While I am a lawyer, I do not pretend at this moment to supply the answer. There are many excellent lawyers in the Senate, some of whom, not only recently, but in other years, have expressed some doubts as to the constitutionality of legislation which would be ex post facto in nature. I sincerely hope that we can arrive at a legislative approach to deal with the problem. I do not want to see this property deteriorate. I should like to see it reposed in private hands. I think it can be integrated into the American economy, and that at long last, after many futile starts,

we can really build up a dye and chemical and intermediate industry in this field that will be a credit to the country and will make it unnecessary to depend upon foreign sources in the event—God forbid—that we should be in a state of hostilities again at some time in the future.

Those are the questions which the subcommittee and the chairman of the subcommittee inherited. The senior Senator from New Jersey [Mr. SMITH] and my very esteemed friend and colleague on the Judiciary Committee, the junior Senator from New Jersey [Mr. HENDRICKSON], have introduced a bill to make possible the sale of this property. On that bill and others we shall conduct our hearings in the hope that light will be shed, and that we can submit to the Senate legislation which we can justifiably defend on the floor. I would be a little reluctant to come before this distinguished body and suggest to it that it enact legislation if I had reasonable doubts of my own as to whether or not it squared with the Constitution. The chairman would like to be satisfied on that score. If some way can be found, I can assure the Senate that the committee will not be wanting in dispatch or lacking in diligence in order to bring about this happy solution.

So I assure Members of the Senate now that all the bills for the extension of time for filing claims, for funds with which to process claims now pending before the War Claims Commission, and for the liquidation of properties which the Federal Government now holds, will be given careful consideration.

There is only one further comment which I need make, Mr. President. It is amazing how long a bureau or a function can remain alive. The Senator from Nevada is so very correct in his statement that there are claims now pending which go back to World War I. To be sure, we followed then the idea of custodianship. In the case of some of the funds related to World War I one of the problems is to identify the person who is rightly and properly entitled to the restitution of the property or money or bonds involved.

Since the philosophy of the act was changed we have had no such problem at the present moment. However, it is amazing that all these cats and dogs from a generation ago should still be upon the doorstep of the country.

We have tried first of all to cut down the size of the operations in the office. There was an office in San Francisco under the Alien Property Act. There was an office in Tokyo. There was an office in New York. There was an office in Munich. Administratively these offices will be consolidated and brought to Washington, if that has not already been done and a vestige of the personnel will remain in the Attorney General's office in New York to carry on there.

There were some seventy-odd-thousand claims, 5,000 of which were in the hands of a single attorney in California. Many of these claims amount to only \$5.

Consider for a moment the Yokohama Specie Bank. Before the war a Japanese could walk into the bank, lay down \$5,

and buy a certificate which would be payable in yen in Japan. When the war came that whole property was taken over. Today all those claims are pending.

Mr. President, under the law notice cannot even be served on claimants without going well in excess of the amount involved in most of the claims. Ten days ago I introduced a bill to provide for the speedy liquidation of the matter, in the hope that 75 percent of the claims could be speedily disposed of, so that we would not invite costs that are infinitely greater than the claims involved.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. McCARRAN. I may remind the Senator that, as I recall, there were last year in excess of 100 lawyers employed by the Alien Property Custodian in Washington. I do not know how many were employed in the other offices. It would seem to me that that number of lawyers would be able to find a way by which the properties could be disposed of.

Mr. DIRKSEN. I completely subscribe to that statement. The Senate will learn in due course that the chairman of the investigating committee has been most diligent and vigorous, in the hope that we may come close to a termination of the operation, because I believe it would be an affront to the efficacy of this or any other undertaking to have an office such as this languish year in and year out and maintain jobs, which are very pleasant so far as remuneration is concerned, or let an unnecessary agency live longer than absolutely necessary.

I ought to add one other point, Mr. President. In World War I days a great deal of scandal developed in connection with the alien property. There have been rumors; there have been innuendoes; there have been insinuations of one kind or another. I have stated repeatedly to the members of the subcommittee that I was not too much interested in that sort of thing. My primary interest was in lifting the Government out of this business and restoring these properties to private enterprise, so they can pick up and generate themselves into something worthwhile in our free-enterprise system.

These are problems, Mr. President, which are not of my making; they are problems I have inherited. I endeavor to do the best I can. I believe I have a rather efficient staff. It has been working on the problem early and late.

So when the hearings are held, beginning on July 20, we shall have the new Alien Property Custodian, Mr. Dallas Townsend, come before the committee. He comes from New Jersey and, in my judgment, without having known him very long, he appears to be an attorney of very marked talent, and altogether, I think, a very distinguished citizen, who will administer the job truly and well. We shall have others appear before the committee also.

Incidentally, I am asking the president of General Aniline, Mr. Frye, alluded to by the Senator from Nevada,

to return for further testimony. We will probably have some of the former custodians testify also. In any event, adequate testimony will be developed, and the subcommittee always will address itself to the principal objective, namely, the lifting of the Government out of this business, for every day we are administering the Alien Property Office and for every day we have people on the roll whose compensation comes, not out of the Treasury but out of the properties themselves, it means there will be that many fewer dollars available to the veterans who fought the battles of this country, who are incarcerated in prison camps, and who were the victims of cruel and inhuman treatment, not only in the Orient but in Europe as well. I believe there rests upon us a solemn duty, which is almost sacred in nature, to make sure that we save every dollar and devote it to the purpose for which it was intended by Congress, mainly for the use of veterans.

We shall certainly not depart from the spirit of the act, but we will do everything possible to husband those resources, to make sure that they go to the places and to the people for whom they are intended.

Mr. HENDRICKSON. Mr. President, I sincerely hope that every Member of the Senate will read the record that has just been made here today by the two distinguished Senators, the Senator from Nevada [Mr. MCCARRAN] and the Senator from Illinois [Mr. DIRKSEN].

It has been my privilege to serve on the subcommittee, both under the able leadership of the late Senator Smith of North Carolina, a man whom we all loved dearly, and under the leadership of the distinguished Senator from Illinois.

I have attended many of the hearings of the subcommittee. I think I know something of the problem. I know the need in my State, where the vast majority of the holdings of General Aniline and its associates are located.

I hope that the RECORD will be read and studied. I join the distinguished Senator from Nevada in urging that the issue be brought to the floor of the Senate in the form of a bill at the earliest possible moment. I assure the Senate, as a member of the subcommittee, that I shall exert every effort at my command toward giving the Senate an opportunity to consider the issue within a reasonably short time.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

The Senate resumed the consideration of the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDING OFFICER (Mr. BUSH in the chair). The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. GRISWOLD], in the nature of a substitute for the amendment offered by the Senator from Oklahoma [Mr. KERR], to insert a new section at the end of the bill.

Mr. GRISWOLD. Mr. President, I am speaking on behalf of the amendment to Senate bill 2267, which I have presented

as a substitute for the amendment offered by the Senior Senator from Oklahoma [Mr. KERR].

My amendment directs the Secretary of Agriculture to institute a program to purchase brood cows under such rules and regulations as he may provide and at a price of not less than 10 cents per pound. The theory behind this bill is different than that behind the price support amendment offered by the Senator from Oklahoma. My amendment is intended to correct the basic problem in the cattle industry, that of an oversupply of cattle.

The Junior Senator from New Mexico [Mr. ANDERSON] stated yesterday on the floor of the Senate that we have 10 million too many cattle in the United States. My amendment approaches this problem by proposing that the Government purchase a large number of cows which are still capable of having calves. In a very short time that will remedy the basic fault.

Mr. President, I desire to point out that although we are debating a bill providing relief for the drought-stricken area of the great Southwest, yet actually the cattle problem is a national one. The movement of cattle to the market from the drought-stricken area has caused a serious decline in the price of cattle in all parts of the United States. If there were not an oversupply of cattle it is likely that the Nation could absorb the cattle which are being forced out of the drought-stricken area. The oversupply of cattle has been apparent to all students of the problem for at least 2 years.

Since the fall of 1951, there has been a steady decline in the price of cattle. In the fall of 1951, many calves sold for more than 40 cents a pound, and many yearling steers were sold to feeders for approximately 35 cents a pound.

A year later, in the fall of 1952, calves and yearling steers were selling at a price around 25 cents; and the prospects for this fall are for prices much below that.

Yearling steers are being offered today at 16 cents a pound with no takers. Cows are selling at very depressed prices.

The point I wish to make is that this is a national problem, and cattlemen in all areas of the Nation are affected by the serious price situation that has developed.

My amendment approaches the problem in a very basic way, as it directs the Secretary of Agriculture to put into effect a program which will reduce the number of cattle in the United States. It is not a price-support program involving rationing or controls, but it provides for paying a price for cows somewhat above the general market price, thus inviting their sale and bringing about their slaughter. The Secretary of Agriculture should not pay a price which will make the raising of cattle profitable at such prices. The amendment puts a floor under the present sale price of cows.

The price-support plan for wheat, corn, and cotton operates so as to invite farmers to plant more of these crops. My amendment will not have that effect.

I desire to point out that while it is undoubtedly necessary to extend some special emergency credit to cattlemen in

the drought area, yet it should be understood that we are not benefiting cattlemen by extending them credit unless there is an increase in cattle values before the cattle are sold. The extension of credit may only delay the time when the cattlemen must take a loss. What the cattlemen in the drought area and throughout the Nation need is not more credit; they need a greater confidence in the future price of cattle. That will create a true basis for credit and the credit will then be forthcoming from the regular loaning agencies.

The banks of this Nation have large deposits and they are looking for good loans, but when they are fearful of the future price of cattle, and when the cattleman himself is fearful in regard to the future price of cattle, it is impossible for the cattleman to get a loan from a bank. I repeat, there is no real lack of credit; there is only a lack of confidence in the future of the cattle industry.

My amendment will correct that fault. It will bring about a decrease in the number of cattle and bring back the needed confidence, which in turn will automatically make credit available.

There may be a question as to the cost of the program I suggest. If the market price of cows remains low—and today many poor quality cows are selling for as low as 6 cents and 7 cents a pound—then the program might cost a good many million dollars, but if the program costs much, it will just that much more quickly bring about the very correction which is intended.

Mr. KERR. Mr. President, will the Senator yield?

Mr. GRISWOLD. I yield.

Mr. KERR. Did I understand the Senator from Nebraska correctly to say that today cattle are selling in Nebraska for as low as 6 and 7 cents a pound?

Mr. GRISWOLD. I believe some of them are; yes.

Mr. KERR. I thank the Senator.

Mr. GRISWOLD. If 1 million cows are purchased with an average weight of 800 pounds at 3 cents above the market, that will mean a loss to the Government of \$24 a head, or \$24 million. In my judgment, after a million cows were purchased, the market would strengthen, and on the purchase of the next million cows the loss would not be as great.

Candidly, I do not claim to be able to state what the cost of the program will be, as it will depend upon the price received for the meat when it is placed on the market. Today many cows are selling at from 9 cents to 11 cents a pound, but the question really facing the cattlemen is what price will be offered for these cows in October when most are sold, and they are fearful that it will go very low. As a matter of fact, no one can tell what the cost of the emergency loaning program will be, as that also will depend upon the price received for the cattle when they are placed on the market.

The Government may lose a great deal of money on the loans made. So, I point out, Mr. President, that the cost of either loan program or purchase program cannot be determined at this time. A loan program, however, tends to keep alive and even increase the number of cattle that exist in this country, while my pur-

chase program will bring about a decrease in the number of cattle.

I point out also that my program providing for the purchase and slaughter of cows is not a continuing program. The success of such a program will automatically bring about its abolition. As the number of cattle is reduced, the program will no longer be necessary.

I say again that it involves no rationing and no controls, and I desire to point out that very little governmental machinery will be required for the establishment of such a program. Purchasing agents can be placed in each central market. Contracts can quickly be made for the processing of these cattle, and the meat can then be stored awaiting a future decision as to how and when it shall be sold or disposed of abroad.

It has been stated that the Department of Agriculture now has authority to institute a price-support program. My program is different in that it only creates a floor under the price of cows and does not go into the problem of establishing a parity price for calves, yearling steers, and all other classes of cattle.

Much has also been said on the floor of the Senate, Mr. President, as to the need for quick action if we are to do anything to save the cattle industry, especially in the drought-stricken areas of the Southwest. A loan program involves the creation of committees to study and approve the loans. It involves the checking of the loans. It involves much more machinery than is involved in the program which I present.

If speed is desired in passing a relief bill, then the Senate should take the loan program which has been presented by the committee and pass it. But if the desire is to get relief to the cattlemen of the Southwest, then my program is much more practical than is the program we have been discussing.

As a matter of fact, Mr. President, if word goes out to the cattlemen of the Nation that my program has met with the approval of the Congress, the approval of the President and the approval of the Secretary of Agriculture, it will immediately establish a basis for credit for the cattlemen in the drought-stricken area, where the need is apparent.

If a farmer knows that a cow can be sold this fall for 10 cents a pound, a bank will be willing to make a loan, and the credit facilities will be available to the cattlemen the very day the bill becomes a law. The machinery is already set up. Banks have ample funds. They know their customers. It would require no time whatsoever to extend the needed credit.

I come back again to the statement that my program seeks a fundamental solution of the problem we are facing. It would bring a solution of the credit problem in the drought-stricken areas. It would also bring about a solution of the oversupply of cattle which exists in the Nation.

In closing, I again wish to point out that the program would bring about its own abolition. As the number of cattle was reduced, the market would automatically establish a price above that

offered for cows by the Secretary of Agriculture, and bring stability to the entire industry.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. GRISWOLD. In a moment. I am about to close.

In my judgment it would be well to add this amendment to the bill. It would be well to send it to conference and permit discussion of it. I realize very well that when we are giving discretionary power to the Secretary of Agriculture, we cannot very well expect the program to be a success unless the Secretary of Agriculture himself believes in the program. I think it would be well to call specifically to his attention the need for such a program, the simplicity of the program, and the speed with which it could be placed in effect.

If the amendment is placed in the bill and goes to conference, and if the Secretary of Agriculture says, "I want nothing to do with the administration of such a program," then I think the only practical thing to do is to eliminate it from the bill which the conference committee reports.

I now yield to the Senator from Delaware.

Mr. WILLIAMS. What does the Senator from Nebraska propose that the Secretary shall do with the cows after he buys them?

Mr. GRISWOLD. Can them, process them, and then sell them or dispose of the meat on the market. It may be used in the same manner we have used other surplus foods. Provision might be made for disposition in programs abroad.

I remember that at one time the Senator from South Dakota told of the meat situation in Korea. He stated that if we were called upon to extend some kind of relief to that area, it might be well to bear in mind that the Koreans are a beef-eating people, and would be glad to have the meat made available to them. My program would give the Secretary authority to sell the meat on the market or to dispose of it in any manner he saw fit.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. GRISWOLD. I yield.

Mr. WILLIAMS. As I understand, the Secretary could dispose of the meat as he saw fit, either above or below the cost which he paid.

Mr. GRISWOLD. That is correct.

Mr. WILLIAMS. How does that differ from the Brannan plan?

Mr. GRISWOLD. I am not a student of the Brannan plan. I do not know how it was to operate.

Mr. WILLIAMS. If I understand correctly, Secretary Brannan offered a similar proposal. The Secretary of Agriculture was to buy the products at a fixed figure and dispose of them either above or below the market. The Senator's plan sounds very similar to me, except that it would be confined to cattle.

Mr. GRISWOLD. I point out to the Senator from Delaware that I am not suggesting establishing a floor under the price of all cattle. This program envisages the idea of taking out of the

industry in America many brood cows, so that we shall not raise as many cattle in the future as we have raised in the past. The Brannan plan might easily lead to the planting of more wheat, more corn, more cotton, and other products which the producers might desire to sell to the Government. This is an entirely different plan, and is based upon an entirely different economic theory.

Mr. WILLIAMS. Will the Senator not agree, however, that in principle, it is the same as the Brannan plan, in that the Government would be accepting the losses? Would it not have the net effect of putting the Government in the meat business at this time?

Mr. GRISWOLD. As I pointed out to the Senate, this plan would bring about its own abolition, because as the number of cattle was reduced there would no longer be any necessity for the continuance of the plan. It does not call for raising more cattle to sell to the Government. It does provide for Government interference in this particular field, if that is the point the Senator makes.

Mr. CASE. Mr. President, will the Senator yield?

Mr. GRISWOLD. I yield.

Mr. CASE. I think the Senator from Nebraska possibly has answered the Senator from Delaware sufficiently, but there is a very profound difference between this plan and the Brannan plan. The Senator from South Dakota was not particularly a student of the Brannan plan, but his understanding of it is that it proposed, not merely as to cows, but as to whatever phase of agriculture he wanted to apply it to, that the Government step in and make up the difference between the price at which a product was sold and the price which the Secretary determined ought to be paid for the particular product.

The Senator from Nebraska is exactly correct in saying that instead of tending to put a natural end to the crisis, the Brannan plan would encourage the overproduction of the very commodity which it supported. The Senator from Nebraska has proposed a plan which is distinctly different from that, because it would be automatically self-terminating. Instead of encouraging the glut or surplus which causes the problem, it would tend to bring it to an end.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. GRISWOLD. I yield.

Mr. WILLIAMS. Is it not true that we tried a similar program with reference to pigs a few years ago under Henry Wallace's administration?

Mr. GRISWOLD. I do not know about pigs; but we do not propose to plow under any cows. We propose to convert the cows into palatable food. They will be eaten by people who need to eat meat. I see no resemblance between the two plans. In fact, I do not know much about the Wallace plan for pigs. I was not a Member of Congress at that time, and made no particular study of that program.

Mr. WILLIAMS. If I correctly understood the Senator's amendment as it was originally written, it contained an

extra paragraph which, in effect, carried with it the Wallace program.

Mr. GRISWOLD. I do not believe the Senator from Delaware really read the amendment or the thought behind it.

Mr. WILLIAMS. I did not read the thought behind it; but I think it would be a rather dangerous precedent to establish, either in the cattle industry or in any other industry, as a long-range program.

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. GRISWOLD. I believe I had indicated that I would yield to the Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, I am not asking the Senator to yield to me. I am seeking recognition in my own right.

Mr. MORSE. Mr. President, will the Senator from Nebraska yield to me?

Mr. GRISWOLD. I yield.

Mr. MORSE. I think once in a while a little fun in a serious debate such as this helps us a little. I am sure the Senator from Nebraska will enjoy hearing one reason why I think there is great merit in his amendment. At the present time I am having bull trouble. My bull got out the other night, into my neighbor's herd of Holstein heifers. That is not a very good combination, when the bull is a beef bull. If the passage of this amendment would help my neighbor to save those heifers, I would give serious consideration to it. It might save me a lawsuit.

Mr. KERR obtained the floor.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. KERR. Mr. President, I rise to oppose the substitute offered by the Senator from Nebraska. In the first place, it comes under the classification of class legislation. I do not believe that the Senate should be unduly impressed by legislation which is so easily identifiable as class legislation.

In the second place, Mr. President, the amendment is highly discriminatory. To begin with, it discriminates against the cattlemen of the country. For the first time, to the knowledge of the Senator from Oklahoma, the Federal Government would do that which would penalize the cattleman who are engaged in buying or raising or producing male cattle. Unless the Senator from Nebraska has some means of transforming the male of the species into female, so as to eliminate discrimination, it would seem to me that that feature of the bill alone would constitute sufficient ground for its rejection.

Furthermore, the amendment discriminates against the consumers of the country. It would seem that they would have to pay more for meat which had come from female carcasses than from male carcasses.

Then it would discriminate against the consumer in that it would create a scarcity, whereas the consumers, I am sure, would prefer an abundance. In fact, I have never seen a piece of proposed legislation offered by any Senator which was so apparently calculated to produce scarcity, as is this amendment.

Then, Mr. President, it is highly discriminatory in another feature. It discriminates against the cow.

I read the amendment put on my desk yesterday as being the one to be offered by the distinguished Senator from Nebraska. It had 2 sections, and the second section had 4 subsections. The fourth subsection reads:

To pay to any producer of cattle with respect to each heifer spayed by such producer prior to July 1, 1954, an amount determined—

Mr. GRISWOLD. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. GRISWOLD. The Senator will find that in the substitute which I offered today, subsection 4 is not included. The Senator from Oklahoma is reading from a mimeographed sheet which he found on his desk.

Mr. KERR. That is the first statement the Senator has made, I am positive, in which he is correct.

Mr. GRISWOLD. I thank the Senator for his confidence in my integrity.

Mr. KERR. It is not the integrity of my friend from Nebraska. I not only would cast no doubt upon it, but I would publicly acknowledge my conviction in his complete integrity. I am delighted at some other features of the statement of my friend from Nebraska. It shows how much information he has obtained in such a short time about some matters. I will refer to them in a moment.

I believe the Senator from Nebraska is discriminating against his own amendment. He took out the most intriguing subparagraph of the amendment he notified Senators yesterday he was going to offer. I do not know whether it is because he has changed his basic concept as to the principle of bovine birth control, or whether he has changed his mind as to the desirability of it, either as a physical operation or an economic process.

Mr. GRISWOLD. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. GRISWOLD. I desire to apologize if I ruined the Senator's speech or humor, but I wanted the distinguished Senator to understand that this particular subject is not involved in the amendment which I offered.

Mr. KERR. I thank the Senator. I must say publicly to him that if he had ruined either my speech or my humor, he would have to do a lot more than apologize to me. Knowing him, both as to his attitude of friendship toward me and as to his limitations, I have neither anticipation nor fear that he will ruin either.

Mr. President, the adoption of the substitute offered by the Senator from Nebraska would make this part of the bill as impotent and sterile as the Senator from Nebraska has been trying to make the bovine female population of the cow country.

The fact of the matter is he would ruin both the cattle and the bill with his amendment, were it to be adopted.

I believe I heard the Senator say that cattle were now selling in Nebraska at 6 or 7 cents a pound. I asked him spe-

cifically if I correctly understood him, and as I recall, he said I had.

Mr. President, on the second day of June on the floor of the Senate a colloquy took place in which the Senator from Nebraska had a prominent role. I desire to read something that was said on that day. I am going to read what the RECORD shows took place and then I will recall to Senators what was actually said. On page 6080 of the RECORD of June 2, I read:

Mr. GRISWOLD. I happen to be a small-business man and I deal constantly with the farmers.

He was addressing himself to the distinguished Senator from Tennessee [Mr. GORE]. He said:

Has the Senator from Tennessee ever heard of a case such as that which was reported to me last year of a man who had a \$1,000 bond for which some years ago he paid \$750? He told me that he had sold 10 cows in order to buy the bond. The Government was living up to its obligation; it was paying him \$1,000, but at the end of 10 years the money would buy only four cows. During that time the farmer had lost four head of cattle.

Mr. President, I was on the floor of the Senate at the time. What the distinguished Senator from Nebraska actually said was that the farmer had told him it took seven cows to buy the bond. At its maturity its proceeds would buy only three cows. But even so, let us assume that the way the RECORD has been amended is correct and that when the bond matured it would buy only four cows. That was on June 2, when the distinguished Senator from Nebraska was speaking, which is just a few weeks ago. I wonder what has happened in that time that makes it imperative that the Government put a guaranty of 10 cents a pound on those cattle.

There must have been a drastic decline. Or is it possible that the Senator from Nebraska has just been apprised of what has been going on for quite some time?

During the course of the same colloquy the Senator from Oklahoma asked the distinguished Senator from Tennessee:

Mr. KERR. Would the Senator be surprised to know that, instead of cattle being at a price where only 3 could be bought for a thousand dollars, only yesterday in the market in Nebraska and Oklahoma cattle were selling for less than \$60 a head, instead of \$330 apiece. If the Senator from Nebraska does not know that, he had better go back home and find it out.

Mr. GRISWOLD. Mr. President, I want to correct the RECORD.

Mr. GORE. I yield for whatever correction of the RECORD the Senator wishes to make.

Mr. GRISWOLD. Mr. President, I should like to state that in Nebraska we are not selling Nebraska cows for the amount to which the Senator from Oklahoma has referred.

That was the statement of the distinguished Senator from Nebraska on June 2, on the floor of the Senate. It would seem that, on the basis of his advocacy of his amendment, either he was mistaken then or that circumstances have happened since to make the conditions in Nebraska similar or identical to or worse than those described by the

Senator from Oklahoma on the floor of the Senate on June 2.

I am amazed at how much the Senator from Nebraska has learned about what is going on with reference to the price of cattle, and I may say to him that I enjoyed the statements he has made about the beneficial effects of his amendment if it were adopted. He said that if a floor of 10 cents a pound were established for the price of female cattle that of itself would bring about, probably by the time a million cattle were purchased, a condition whereby but little additional support would be necessary for the price of all cattle to be above that amount.

I submit, if that is possible, the Senate should move without hesitation to bring about a condition that would be so beneficial, at such a low cost. It was with that thought in mind that I offered my amendment, believing it would require only a little actual operation of a program by which the Secretary of Agriculture was supporting the price of cattle at 90 percent of parity, until the value would be restored to a point where only limited purchases by the Government would be required.

It has been my contention that if the Secretary would spend some money in supporting the price of cattle to the producer, the price would be restored to a point where the economics of the situation would be such that a reasonable degree of prosperity would be restored to the cattle producer, and at very limited cost to the Government.

However, the Secretary has not done so, although under the law he could just as well be supporting the price of cattle to the producer. Instead of doing that, he is supporting the price of beef products to the processor. He has launched a program of purchasing 200 million pounds of processed beef. In view of the fact that he refused to do anything else, I looked upon that program in the hope that it would cause a limited part of the benefit to trickle down to the producer. But I noticed on the news ticker a few minutes ago a report by the Associated Press that illustrates the fallacy of that approach, if the purpose of the Secretary is to support the price of cattle to the producer. At the same time, Mr. President, in my judgment the news report fortifies my argument that the Secretary of Agriculture should be spending that money in a program to support the price of cattle to the producer himself.

I read from the dispatch:

WASHINGTON, D. C.—The Government and meat processors are having difficulty getting together on a Federal beef buying program aimed at providing higher prices for cattle being forced to market in the southwestern drought area. The Agriculture Department announced 2 weeks ago a 200 million pound beef purchase program, with a buying goal of at least 10 million pounds a week for 20 weeks. Last week, only 3,621,000 pounds were purchased, and this week only, 5,250,000. Officials say buying was falling behind schedule because some processors are asking prices out of line with depressed prices being paid for cattle in the distress area.

Mr. President, it is amazing how some persons have to be knocked in the head with a sledgehammer in order that some

intelligence and good information may trickle in.

What did the Secretary think would happen when he announced he would allow 200 million pounds of beef to be purchased from the processors? The distinguished senior Senator from Vermont [Mr. AIKEN] yesterday accused me of depressing the price of cattle because I have been urging the Secretary of Agriculture to pay more for cattle. That is a peculiar way to depress the price of anything, Mr. President; but this situation demonstrates the effect of the Government's buying program with reference to what is being bought.

The trouble is the processors are already making more money than they have ever made before in all their lives. The only group in the United States whose profits today are at a higher level, comparatively, than the profits of the processors of beef is the group of bankers. I wish to say that the Treasury Department is working just as hard to increase the profits of the bankers as the Secretary of Agriculture is working to increase the profits of the processors. The basic result of both programs is that, on the one hand, people have to pay higher interest rates on the money they borrow, and higher taxes to the Government, so it can pay higher interest rates; and, on the other hand, the producer of beef cattle sees the price of his product, insofar as he is concerned, either continue at the present disastrously low level or be further depressed. Perhaps the Secretary of Agriculture will realize that situation—not because of anything I have said—I would not hope for that—but as a result of the experience he is having.

I read further from the news report:

The Department said the buying program was designed to stem the trend to ruinously low prices for low-grade cattle.

It seems, Mr. President, that the Secretary of Agriculture should have spent the money to buy cattle. Processed beef was not selling at ruinously low prices. It was already selling at exorbitantly high prices, in view of what the processors had paid for it.

I read further from the news report:

Beef being bought is of the canned and hamburger styles, produced from animals of these grades.

I wish to say to the Secretary of Agriculture that he is not discriminating against the male animal products. He is not limiting his program to hamburgers made out of steers or bulls, or rather, limiting it to that part of the bovine population other than steers or bulls.

I read further from the news report:

Officials had hoped that the program, coupled with the industry program to sell more beef, would (1) strengthen cattle prices in the Southwest sufficiently to encourage farmers to halt dumping the animals on markets, and (2) silence demands from some cattlemen that the Government either buy live cattle at greatly increased prices or put a price floor under them. Officials have said the Department is not equipped to buy and handle live cattle.

Mr. President, that amuses me. The product eventually gets into cans or into the form of hamburger meat or other

products of the processing operation. I wonder whether the Secretary of Agriculture thinks the only way he can buy processed beef is by waiting until the processor has virtually stolen the live animal and then has charged the Government three prices for the processed portions of it. I wonder if it never occurred to the Secretary of Agriculture that he could buy the animal and have it processed for the Government's account, and in that way help keep up prices to the producer and help keep down prices to the consumer, whereas his present program is succeeding only in increasing the price received by the processor and increasing the price paid by the consumer for the processed products, with the benefit to the producer being minute and remote indeed.

I read further from the news report:

What canned beef the Department bought this week was higher priced than last.

Mr. President, the program was in effect 2 weeks, and the cost per pound went up about 8 percent.

I read further from the news report:

This week's price averaged 36.95 cents a pound, compared with 34.36 cents last week.

Mr. President, I wonder whether the Secretary would be careful to note that each animal brought the producer probably 5 cents a pound, and that the processor cleared the hide and the offal, and sold the carcass to Mr. Benson at about 4 to 5 times as much, as the farmer who produced it had received. What mockery, Mr. President. Yet, when the Senator from Oklahoma offers an amendment to put into operation a program designed to increase the price paid to the producer, who is the one who is suffering, he is ridiculed by the chairman of the Committee on Agriculture and Forestry, who for 6 months has refused even to let the Senator from Oklahoma have a hearing on a bill he introduced.

Then, Mr. President, the Senator from Oklahoma sees the distinguished Senator from Nebraska trying to subject not only the amendment of the Senator from Oklahoma but also the entire bill to a degree of sterility and impotency beyond even that of which he has calculated or indicated an understanding. I want to thank the Senator from Vermont for his comparative docility today. Yesterday, I did not know whether the Senator from Vermont was simply easily irritated or simply allergic to KERR, or whether the facts with which he was confronted astounded him or dismayed him.

Mr. President, I sincerely hope that the amendment in the nature of a substitute offered by the Senator from Nebraska will be voted down, and that the amendment of the Senator from Oklahoma will be adopted.

Mr. ANDERSON. Mr. President, I desire to speak in opposition to the amendment offered by the Senator from Nebraska. I wish to say, however, that with many statements made by the Senator from Nebraska I find myself in agreement. There are at present at least 10 million cattle too many for the safety of marketing situations in this country, and I approve that much of

the amendment of the Senator from Nebraska which seeks to help in the removal of cows which are producing calf crops we cannot handle.

When he talks about the reduction of breeding herds, I think he is putting his finger on one of the most serious problems the cattlemen face; but I say to the Senator from Nebraska that I think it is a matter which should have been brought before the Committee on Agriculture and Forestry, and which we should have a chance to consider; but I do not believe it belongs in the pending bill.

I desire to say to him also that when he proposes the slaughtering of great numbers of animals by the Government of the United States, that involves a great many problems. Many years ago we had a slaughtering program operated through the Federal Emergency Relief Administration. It was my function to serve as one of the regional administrators of the Federal Emergency Relief Administration, and my particular area of responsibility was in the Southwest where the cattle-slaughtering program was in full swing. We had the extremely difficult problem of trying to decide what to do with a carcass once an animal had been slaughtered. We had to find a place where the meat could be frozen. Usually there were not such facilities where the animals had been slaughtered; and when we found a place where the meat could be frozen, we then had to find a place where it could be stored. We made use of all sorts of improper storage. If the meat began to spoil, it would then be offered to the relief clients, who would haul it off in its bad condition and use it as quickly as they could. I do not say we could have done better. I merely say to the Senator from Nebraska that it is bad business, and that when the Nation embarks upon this sort of program we ought to have it so carefully worked out that such problems as I have mentioned would not arise again.

Furthermore, there arose the problem of what to do with the hides. At that time hides, around the world, were regarded as valuable. So we had to set up and establish tanneries to try to handle the hides. I want to assure the Senator from Nebraska that I would never go through that again. I do not say the Senator contemplates that. I am not trying to accuse him unjustly of advocating something in connection with a program he has not sponsored. I merely say to him that in connection with a cattle-slaughtering program operated by the Government of the United States in contradistinction to the normal slaughtering program operated by the ordinary packing plants, there arise tremendous problems which we ought to endeavor to meet in advance, and which I think require legislative study before taking action.

I do not say that the cattlemen have always wanted to have Government help. I can remember when they have come forward to say they did not want Government help. I can remember that they have insisted many, many times that they are rugged individuals. But

today we find them split on this question.

Not too long ago, but several months ago, to be exact on the 12th day of March, a livestock advisory group which was meeting in Washington issued a release carrying its recommendation as to what might be done. That release was signed by Sam Hyatt, president of the American National Cattlemen's Association, a man from Wyoming, an extremely competent cattleman, and a very fine citizen.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. ANDERSON. I yield.

Mr. THYE. In connection with what the Senator from New Mexico just said, that the cattlemen did not want any control, I may say that only last evening in looking through the Saturday Evening Post for this week, I noticed on the editorial page an article entitled "Stockmen Want No Part of a Controlled Market," written by Edmund Christopherson. Mr. Christopherson apparently had interviewed a great many livestock people throughout the Northwest, as well as in the Southwest; and on the strength of those interviews, he wrote the editorial, which, as I say, appears in this week's Saturday Evening Post. I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks, because I think it quite important that we have all possible information on the question before us.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STOCKMEN WANT NO PART OF A CONTROLLED MARKET

(By Edmund Christopherson)

It is heartening that in the face of still-continuing drops in the price of their one cash crop, the beef growers not only failed to shriek for the Government to bail them out but have openly declared their intention to stake their futures on the operation of a free market.

The current price slump, the cattlemen's first setback in 12 years of prosperity, began about 18 months ago. Spurred by the continued high beef prices, ranchers increased their herds and the cattle population reached an all-time high.

This increasing supply started an orderly easing of the price beef critters brought in sales rings and stockyards. It was a sort of easy, expected deflation until drought hit fairly hard in a lot of the grass-feeding areas last summer. Ranchers, left short of feed they'd normally have used to carry their stock through the winter, had to sell.

How much are the cattlemen hurting? The other day, in Montana's cattle-raising Big Hole Basin, Ralph and Clayton Huntley sold their year's production of coming 2-year-old steers, weighing a sleek 900 pounds, for 20½ cents a pound. A year before, identical beef from this same cow outfit brought them 31 cents a pound, or about \$95 more per animal. From mid-February to mid-March, 1953, alone, the Department of Agriculture announced a drop of slightly more than 12 percent in the average prices of beef cattle.

Still, in spite of these facts, and intense discussion of them among the stock growers affected, not one of the more than a hundred range cattlemen's organizations favors a Federal bail-out. Never, even in the grim thirties, when prime steers sold for 4 cents a pound and the Government bought, slaughtered and buried range cows, paying three-

quarters of a cent a pound for animals delivered to the slaughter point, have stockmen sought Government supports. They reason that along with Federal supports they would lose control of their industry. Even though the shakedown seems rough now, stockmen are standing firm behind their statement that "we oppose imposition of specific agricultural cash subsidies—including price supports—wherever they directly or indirectly affect the cattle industry."

The only Government interest they have sought is help in developing wider markets, such as encouragement of the use of beef in the school-lunch program. They have also inaugurated a positive program for selling more beef to consumers on its merits as an essential food.

This program is succeeding, which is fortunate, for, even with prices on the drop, there has been little retrenchment in the cattle industry. Stockmen are geared to high-level production as a fundamental part of their faith in expanding markets in a growing free market.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the report of the Livestock Advisory Group, with the recommendations in full, be printed in the RECORD at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

LIVESTOCK ADVISORY GROUP RECOMMENDS END OF CONTROL LEGISLATION

A flat recommendation that Congress permit the price and wage control law to expire on April 30 and reject legislation now before it to provide standby controls or a 90-day freeze order was 1 of 7 submitted to Secretary of Agriculture Ezra Taft Benson by a livestock industry committee that concluded a 2-day meeting here today.

The 18-man committee surveyed the whole cattle picture pointing out that producers and feeders have been pinched for more than a year in a falling market for their products while costs of production have remained at high levels.

It commended the President and the Secretary for their prompt action in removing price and compulsory grading controls.

"Every possible approach to a solution of the problem was examined," according to the committee report, which continues, "including the idea of government subsidies and supports but rejected this approach as offering, at best, only a temporary relief for those now in financial difficulty. It was the committee's opinion that Government interference at this time would only further complicate the problems and delay the establishment of a sound operating program for the industry."

The committee did, however, spell out a field for Government aid in its remaining resolutions. It called for a stepped-up program of Departmental promotion through press, radio, and television to acquaint the public with the fact that beef is both plentiful and low-priced on today's market.

Members asked that the Secretary check the purchase program for the armed services; that immediate steps be taken to increase the volume of beef used in the school-lunch program both through local purchases and funds supplied by the Department under section 32.

The committee went into the export-import field and asked that the Secretary check this whole question with a view toward giving protection to the industry at this time. It urged that research to expand the use of tallow, animal fats, and hides be enlarged.

A recommendation that the Government give serious consideration to the purchase of beef to send to Korea for the feeding of the

South Korean army pointed out that a better plan of nutrition will make more South Korean soldiers available for armed service.

Aside from the above seven specific resolutions, the committee went on record suggesting the Department make a thorough study of all its possibilities for extending credit through existing agencies in case of extreme emergencies.

"The committee assured me," stated Secretary Benson, in commenting upon the advisory board's recommendations, "that all segments of the industry are united in a marketing program intended to provide maximum service at reduced costs in moving meat from range and feedlots to the consumers of the country."

In connection with this stepped-up promotion program, the committee recommended that the livestock industry increase its contributions to the National Livestock and Meat Board.

Concluding its work, the committee felt that the current problem is confounded and aggravated by the present rigid high price supports on basic commodities, particularly feedstuffs. It was charged that these were big factors in the present price squeeze and a recommendation was made that the whole support program be reexamined and more flexibility brought into it.

"Price support programs," said the report, "are only a part of the overall farm program and should not create more problems than they solve."

The recommendations were taken under consideration by Secretary Benson as the committee pledged itself to come any time on call. On the committee are: Sam Hyatt, president, American National Cattlemen's Association; C. B. Watson, president, Corn Belt Livestock Feeders Association; Reese Van Vranken, cattle feeder; L. M. Pexton, American Stockyard Association; Robert J. Riddell, president, the National Livestock Exchange; Ray S. Paul, chairman, beef committee, American Meat Institute; Jack Roach, president, Texas & Southwestern Cattle Raisers Association; Jay Taylor, chairman, National Livestock and Meat Board; Howard Hill, president, Iowa Farm Bureau Federation; Norris Carnes, manager, Central Cooperative Association; P. O. Wilson, manager, National Livestock Producers Association; Henry Kruse, chairman, beef committee, Western States Meat Packers Association; John Heinz, chairman, beef committee, National Independent Meat Packers Association; Seth T. Shaw, Safeway Stores, Inc.; J. O. Brott, agricultural division, American Bankers Association; A. A. Heldridge, Independent Livestock Commission; D. C. Schaffer, president, Nebraska Stock Growers Association.

RECOMMENDATIONS

The committee first appraised the current situation and pointed out that cattle producers and feeders are experiencing severe losses due to price declines which started more than a year ago and which have become more acute since the first of the year. The members of the committee considered every possible approach to a solution of the problem including subsidies, Government supports, etc. While subsidies would offer temporary relief for those now in financial difficulty, it is the committee's opinion that this would not solve the problem but only lead to further complications and delay the establishment of a sound operating program for the industry.

The committee commends the President and the Secretary of Agriculture for their prompt action in eliminating price controls and compulsory Government grading. It offers the following suggestions:

1. That the Department of Agriculture increase its informational and promotional program by way of press, newspapers, radio, television, and all other means at its disposal in order to bring the facts about the supply

and demand of beef to the attention of the consuming public.

2. The Government carefully check its program of purchases of beef for the armed services and other uses and, wherever possible, the volume of beef for such uses be increased.

3. That immediate steps be taken to increase the volume of beef used in the school-lunch program both through local purchases and through amounts supplied by the Department of Agriculture under section 32 funds.

4. That we urge the Secretary of Agriculture to check into the question of exports and imports, conferring with the Secretary of State with the idea of giving maximum protection to the industry. We especially urge that hides, tallow, and other animal fats be included in this check.

5. That research in an effort to expand the use of tallow, animal fats, and hides be expanded.

6. The committee further recommended that Congress permit the price and wage control law to expire on April 30, and that the proposed legislation now before Congress which would provide standby controls or a 90-day freeze order be rejected.

7. The committee recommended that the Government give serious consideration to the purchase of beef to send to Korea for the feeding of the South Korean Army. It is reported that a better plane of nutrition will make more South Korean soldiers available for service.

The committee assured the Secretary that all segments of the industry, including producers, feeders, market agencies, processors, and retailers are being asked to give cooperation in a program intended to provide maximum service at reduced costs in moving the product of this industry from the range and feed lots to the consumers of the country. They called to the attention of the Secretary the extensive advertising program now being carried by the retailers and processors and indicated that it would be their recommendation that such programs be continued and expanded. The committee assured the Secretary of the complete support of the National Livestock and Meat Board, an industry-supported organization, in furnishing technicians and information in support of an expanded informational program. The committee recommended that the livestock industry increase its contributions to the National Livestock and Meat Board from 25 cents to 50 cents per car.

The committee recommended that the Department of Agriculture make a study of the possibility of extending credit through existing agencies in case of extreme economic emergencies.

The committee felt that the current problem is compounded and aggravated by the present rigid high supports on basic commodities. These are big factors in the current drastic losses. The whole support program should be reexamined and more flexibility brought into it. Price-support programs are only a part of the overall farm program and should not create more problems than they solve.

We appreciate the opportunity of coming to discuss industry problems and will stand ready to come in at any time in the future at your call.

Mr. ANDERSON. Mr. President, I call attention to the fact that the names which are signed to the report of the Livestock Advisory Group are names of practical, thoroughgoing cattle people. I desire to comment on two of those names. The first is Jay Taylor, of Amarillo, Tex. Mr. Taylor is now the chairman of the National Livestock and Meat Board. When the Department of Agriculture was reorganized in 1945 to make provision for a Production and Marketing Administration, it was felt that it

was necessary to find the most capable agricultural worker that could be found in the United States, to head that branch. I finally came upon the name of Jay Taylor, of Amarillo, Tex. He was a colonel in the United States Army, on duty in Europe, and a message was sent to him to try to bring him home for the purpose of assuming that great civilian responsibility. He was a person of wide experience in the livestock business. He was reported to have rejected the presidency of one of the largest banks in the State of Texas. He is well known throughout the country, and I regard him as a fine friend and adviser. Mr. President, I am saying to you that his recommendation is of interest to me.

The next is the name of Howard Hill, president of the Iowa Farm Bureau Federation. I am well acquainted with Howard Hill. I think he is as capable a Farm Bureau president as there is in the United States. He is a man of wide experience in agricultural matters. There are many names on the list, and I mention this fact because it suggests that there were steps which they felt might be taken at that time, though they apparently had no way of appreciating how serious the situation was going to be.

Mr. CASE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CASE. Will the Senator give us a picture of what the recommendations were?

Mr. ANDERSON. I may say to the Senator from South Dakota that these recommendations were made on March 12, before the drought had become so serious as it has now become; so I would not want to say that these men could not understand what was going on in this country. They did recommend that the Department increase its informational promotion program; that the Government carefully check its purchases of beef for the armed services and other uses; that immediate steps be taken to increase the volume of beef used in the school lunch program; that the Secretary of Agriculture expand the program of exports and imports to find new uses for tallow, fats, and hides; that Congress permit the price and wage control law to expire on April 30; and that the Government give serious consideration to the purchase of beef to send to Korea.

Mr. CASE. As the Senator has pointed out, March 12 was some time ago, and much has happened since that time. Today the very fact that we are considering this proposed legislation marks the point that an emergency, in some degree, at least, has developed in the past few months, and that possibly we should consider something more in the nature of an emergency step.

Mr. ANDERSON. I agree with the Senator. I am simply trying to urge the Senate to pass without amendment the bill reported by the Committee on Agriculture and Forestry and let it go to conference and let it be signed by the President, as I am sure it will be signed.

I am willing to start meeting with the committee at any time the distinguished chairman will call a meeting, and shall

be glad to try to assist. I realize that many things can change the picture overnight.

In the average beef carcass of 1,000 pounds there are 70 pounds of hide and 70 pounds of tallow. Just before World War II hides represented 7 percent of the weight and 11 percent of the value. Hides quickly dropped to about 4 percent of the value of the whole carcass, and now are much less than that.

What I wanted particularly to do this afternoon was to introduce into the RECORD some statistics which I consider important in connection with other items of agriculture relief. The first item I desire to insert is taken from a publication, 1952 issue, of the American National Cattlemen's Association. It deals with the slaughter of she-stuff, which is the very subject of the amendment offered by the Senator from Nebraska [Mr. GRISWOLD]. It shows the percentage of slaughter in the United States and it illustrates the fact that in the year 1944 and for 5 years thereafter the percentage of she-stuff slaughtered was more than 50 percent. More than half the animals slaughtered were females.

In 1945 the percentage was 50.30.

In 1946 it was 49.40 percent.

In 1947 it was 51.40 percent.

In 1948 it was 52 percent.

There we get into the matter of capital gains and other things affecting the value of cattle.

In 1949 the percentage was 42.90.

In 1950 it was 43.20.

In 1951 it was 43.80.

In the first 6 months of 1952 it was 38.50.

I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

She-stuff slaughter

[Inspected slaughter in percentages]

Year	Cows and heifers	Steers	Bulls and stags
1920.....	47.42	49.38	3.20
1921.....	42.32	54.00	3.68
1922.....	44.01	52.24	3.75
1923.....	48.06	47.90	4.04
1924.....	49.42	46.48	4.30
1925.....	51.31	45.31	3.38
1926.....	49.73	46.88	3.39
1927.....	49.27	47.01	3.72
1928.....	50.78	45.34	3.88
1929.....	47.38	48.63	3.99
1930.....	44.38	51.84	3.78
1931.....	41.75	54.75	3.50
1932.....	42.06	54.36	3.58
1933.....	44.09	52.02	3.89
1934.....	48.67	47.89	3.44
1935.....	56.02	39.85	4.13
1936.....	52.19	43.73	4.08
1937.....	55.85	40.11	4.04
1938.....	49.70	46.23	4.07
1939.....	47.05	48.59	4.36
1940.....	45.93	49.38	4.19
1941.....	45.60	41.87	4.53
1942.....	47.41	48.74	3.85
1943.....	47.04	48.92	4.04
1944.....	52.90	42.00	5.10
1945.....	50.30	45.80	3.90
1946.....	49.40	47.00	3.60
1947.....	51.40	44.90	3.70
1948.....	52.00	44.30	3.70
1949.....	42.90	53.60	3.50
1950.....	43.20	53.00	3.80
1951.....	43.80	52.00	4.20

6 MONTHS—JANUARY THROUGH JUNE

1951.....	41.70	55.40	2.90
1952.....	38.50	58.70	2.80

Mr. ANDERSON. Every cattleman who could do so was holding onto his heifers. He was putting them into his breeding herd, because there was a capital-gains provision which permitted him to take advantage of it. I simply say it has gotten us into trouble, and we should get rid of it.

Mr. CASE. The figures which the Senator is citing are certainly significant. The total program could not be understood without taking cognizance of those figures. But, in addition to the increase percentage-wise in the number of cows and heifers being slaughtered during the past 3 years, it is my understanding that there has been a drop in the total number of cattle slaughtered. I think the figures in the past year show an increase. When we add that to the figures which the Senator has given, we commence to understand where the problem is.

Mr. ANDERSON. I agree with the Senator. One of the interesting things with reference to the prices of cattle is that we have built up the number of cattle very greatly. That is the next thing to which I wanted to refer. But the fact that a larger quantity of she-stuff has not been slaughtered has contributed greatly to our problem, because we have been getting a calf crop amounting to from 36 million to 38 million head. We have lost perhaps 4 million head on the range, but that leaves us from 32 million to 34 million head, and when we slaughter 7 million head we are adding to our cattle population every year. I think it is significant that this change has taken place, so that steers have become the principal item of slaughter and she-stock has not been slaughtered.

Mr. BARRETT. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. BARRETT. I think the Senator from New Mexico is entirely correct in saying that we are building our cattle population beyond a safe margin, but I should like to say to him that my information is that as of the first of the year, the estimate of total slaughter for 1953 was approximately 32 million head. Since that time the Department has increased that estimate to 34½ million head. I understand that well-posted people think that the slaughter this year, because of the drought in the Southwest, will increase to over 35 million head. If that is the case, and if the estimate as to calf production of 39 million head is correct, with a 4 million loss it is entirely possible that at the end of this year we shall find that the cattle population has become stabilized.

I agree with the Senator from New Mexico that our immediate problem is going to be between now and the end of the marketing season next fall. Because

of the drought in the Southwest the situation confronting the cattle growers over the country has become just that much worse.

Mr. ANDERSON. I think the Senator is correct.

I have not presented the total figure for 1952. I have written in a figure of 41.8 percent. It is written in with a pen, but I think it is almost exactly right.

Yesterday the Senator from Wyoming said something which may have been regarded as a little revolutionary. He said we are not yet out of trouble; and the next figures which I shall introduce will somewhat confirm what he said. I do not think we can guess what is going to happen in the cattle business overnight, but there are figures with reference to cattle which indicate that the Senator from Wyoming may have been correct when he said the trouble is not over.

If we start with the cattle numbers in the United States as of January 1, 1953, we can see they build up from 1938, when we had 65,249,000; in 1939, 66 million; in 1940, 68 million; in 1941, 71 million; in 1942, 76 million; in 1943, 81 million; in 1944, 85 million; in 1945, 85 million; in 1946, 82 million; in 1947, 80,500,000; in 1948, 77 million; in 1949, 76,830,000; in 1950, 77,963,000; in 1951, 82 million; in 1952, 87,844,000; in 1953, 93,696,000.

That would not be too rapid an increase or not too greatly accelerated an increase, if it were all confined to animals going to slaughter. But the great increase has taken place in beef cows and heifers held on the farm or ranch, because included in the 97 million figure are all the dairy animals in the United States. The number of dairy animals has been moving up, very, very slowly, as indicated by the following figures:

35,270,000 head in 1949; 35,455,000 in 1950; 35,606,000 in 1951; 35,637,000 in 1952; 36,879,000 in 1953.

So far as the dairy animal population is concerned the increase has been very slow, barely enough to supply the additional fluid milk which the country desires. Yet the numbers of beef cattle have moved up rapidly, indeed.

It is interesting to note that cows and heifers, 1-year-olds to 2-year-olds, increased from 3 million in 1939, to 6 million in 1953; but 2-year-olds and over increased from 9 million in 1939 to 22 million in 1953.

That is why I say I approve of the suggestion made by the Senator from Nebraska [Mr. GRISWOLD] as to the need to look very carefully at this problem of she stock. I have said I am opposed to his amendment, but I wish to say that the figures indicate that we had better be watching what is going on with respect to the number of cows and heifers in the United States.

I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cattle numbers in United States Jan. 1, 1953

[In thousands]

	Total all cattle	Beef cattle breakdown					Total beef cattle	Total milk cows	Cattle on feed
		2 years and over	Cows and heifers 1-2 years	Calves	Steers	Bulls			
1938.....	65,249	10,132	3,136	10,053	5,555	1,599	30,475	34,774	3,336
1939.....	66,029	9,987	3,058	10,572	5,192	1,594	30,403	35,626	3,303
1940.....	68,309	10,676	3,357	10,936	5,283	1,625	31,877	36,432	3,633
1941.....	71,755	11,366	3,789	11,413	6,119	1,685	34,372	37,383	4,065
1942.....	76,025	12,578	4,055	12,219	6,596	1,740	37,188	38,387	4,185
1943.....	81,204	13,980	4,547	13,239	7,361	1,837	40,964	40,240	4,445
1944.....	85,334	15,521	4,971	13,768	7,849	1,968	44,077	41,257	4,015
1945.....	85,573	16,456	5,069	12,871	8,329	1,999	44,724	40,849	4,411
1946.....	82,235	16,408	4,859	12,810	7,727	1,882	43,686	38,549	4,211
1947.....	80,554	16,488	4,636	12,804	7,109	1,834	42,871	37,683	4,322
1948.....	77,171	16,010	4,518	12,046	6,672	1,756	41,002	36,169	3,821
1949.....	76,830	16,919	4,657	12,033	7,270	1,681	41,500	35,270	4,540
1950.....	77,963	16,743	4,754	12,516	6,805	1,690	42,508	35,455	4,463
1951.....	82,025	18,396	5,082	14,265	6,987	1,689	46,419	35,006	4,598
1952.....	87,844	20,590	5,881	15,636	8,332	1,768	52,207	35,637	5,024
1953.....	93,696	22,506	6,358	16,979	9,074	1,900	56,817	36,879	5,836

¹ Included in other beef classifications.

Mr. GRISWOLD. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. GRISWOLD. I am certain the Senator from New Mexico realizes that most of the cattlemen's associations have urged a greater slaughter and a larger sale of she stock this year. Is the Senator in any way fearful that there may be a greater purchasing of cows or heifers because they may be very cheap this fall, and there are still many people throughout the country who do not have an overpopulation on their land? If they see large numbers of nice cows being offered at \$50 a head, might not there be some who would say, "There is a good bunch of stock. I remember a few years ago when they sold for \$250 a head. I believe I will purchase them and keep them for a while. They are certainly bound to go to a higher price than the price at which I can buy them."

The purpose of my amendment is to try to have such stock slaughtered this year, get it out of the market, and reduce the oversupply that exists. Is the Senator fearful that there will be a large purchase of such stock because it will be cheap?

Mr. ANDERSON. I do not know exactly how to answer the question as to whether I am fearful, but when I have heard stories about a cow with a calf by her side being sold for \$70, I have tried to find some at those prices. It is very hard to find them. They do not seem to be in the market. But it is a very attractive price, and it is necessary to remove some of those animals from the range.

In order to provide some additional information which I think is of interest, I ask unanimous consent to have printed at this point in the RECORD a table showing cattle in the United States on January 1, 1953, as against January 1, 1952. That figure will show that there have been sharp increases during the past year, and that there will be additional increases in the coming year. For example, the figures show a 15-percent increase in Alabama and Louisiana. In other areas, such as Texas, no increase is shown. The table shows that there has been a complete shift in the cattle

population of the country. I think the information is of interest.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cattle in United States January 1, 1953¹

[In thousands]

	All cattle		Beef cattle	
	1953	1952	1953	1952
Alabama.....	1,708	1,485	936	762
Arizona.....	974	928	897	852
California.....	3,283	3,219	1,870	1,859
Colorado.....	2,161	2,098	1,870	1,804
Florida.....	1,662	1,539	1,376	1,265
Georgia.....	1,358	1,235	741	643
Idaho.....	1,227	1,126	850	764
Kansas.....	4,428	4,341	3,560	3,484
Louisiana.....	1,771	1,540	1,241	1,040
Mississippi.....	1,888	1,686	988	831
Montana.....	2,172	2,069	2,003	1,892
Nebraska.....	4,965	4,575	4,252	3,874
Nevada.....	624	589	588	555
New Mexico.....	1,250	1,225	1,167	1,142
North Dakota.....	1,742	1,598	1,111	980
Oklahoma.....	3,218	3,065	2,329	2,164
Oregon.....	1,374	1,238	995	876
South Dakota.....	3,052	2,826	2,479	2,248
Texas.....	8,853	8,853	7,201	7,251
Utah.....	733	679	557	510
Washington.....	1,052	956	626	549
Wyoming.....	1,201	1,144	1,118	1,065

¹ Figures shown are for States having American National Cattlemen's Association affiliation.

Mr. ANDERSON. Mr. President, the American National Cattlemen's Association, at a special meeting of its board of directors in Denver, Colo., on April 28 and 29, 1953, memorialized Congress and the Secretary of Agriculture with reference to support prices in the cattle-marketing program. I ask unanimous consent to have printed at this point in the RECORD the memorial to which I refer.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

MEMORIAL TO THE CONGRESS AND THE SECRETARY OF AGRICULTURE ADOPTED BY THE EXECUTIVE COMMITTEE OF THE AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION AT A SPECIAL MEETING HELD IN DENVER, COLO., APRIL 28-29, 1953

SUPPORT PRICES

In order to reestablish a sound agricultural economy, as a long-range program for the consideration of the Congress and the Secretary of Agriculture, we recommend the dis-

continuance of support prices on all agricultural commodities.

In the interim, to meet the present emergency pending accomplishment of that program, we urge immediate action by the Congress to amend the law and place support on corn and other feed grains on a flexible basis, to be determined by the Secretary of Agriculture.

CATTLE-MARKETING PROGRAM

Whereas cattle numbers are still increasing and it does not appear that the peak will be reached for 2 more years.

Therefore, in order to do everything possible to control production and hold it in line with demand at equitable prices to all, we urge heavy marketing of cows this fall, thus reducing breeding herds, and holding some steers, calves, and yearlings to delay marketing and avoid glutting the market.

Mr. ANDERSON. Mr. President, because the whole problem of agricultural prosperity is tied up with what we do with reference to the cattle population I think it might be interesting, although I do not say it is of any significance to the cattle problem, to have printed at this point in the RECORD a table showing the total estimated parity income the farmers of the United States ought to have obtained if they had received 100 percent of parity since 1910 as well as actual receipts.

The figures, as compiled by the Department of Agriculture, showing incomes to persons on farms, from farming, running over a period of 43 years, indicate that farmers should have received \$192,844,000,000 if they had obtained 100 percent of parity. Actually, they received \$270,733,000,000.

At times farmers do have very good years. But if Senators will take the trouble to look at the figures when they appear in the RECORD, they will observe that the years of higher than parity returns are largely, indeed almost entirely, war years, and the years of scarcity that followed wars. Therefore, when we come to a time like this, many years away from the war, we have a period of great hazard to the American farmer. All one has to do to understand what eventually is likely to happen following World War II is to look at the figures and see what happened after World War I. Farm income after World War I plunged to very low depths, and the Senate must be constantly on the alert if it is to help the farmer avoid another plunge in income of that nature.

I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Parity income and actual income to persons on farms from farming in the United States, 1910-52

[Millions of dollars]

Year	Estimated parity income	Income to persons on farms from farming
1910.....	4,266	4,450
1911.....	4,142	3,915
1912.....	4,284	4,335
1913.....	4,647	4,387
1914.....	4,299	4,516
1915.....	4,477	4,395
1916.....	5,205	5,055
1917.....	5,692	8,329

Parity income and actual income to persons
on farms from farming in the United
States, 1910-52—Continued

[Millions of dollars]

Year	Estimated parity income	Income to persons on farms from farming
1918	4,877	9,660
1919	6,495	9,877
1920	7,619	8,368
1921	6,289	3,795
1922	6,255	4,850
1923	6,973	5,608
1924	6,687	5,560
1925	6,875	6,866
1926	7,226	6,617
1927	6,788	6,314
1928	6,883	6,687
1929	7,253	6,741
1930	6,335	5,114
1931	5,061	3,482
1932	3,785	2,285
1933	3,684	2,993
1934	4,271	3,531
1935	4,738	5,052
1936	5,391	5,361
1937	5,718	6,093
1938	5,267	5,041
1939	5,547	5,262
1940	5,993	5,477
1941	6,987	7,601
1942	8,366	11,305
1943	9,171	13,930
1944	9,264	14,039
1945	8,968	14,740
1946	9,304	16,278
1947	8,707	15,736
1948	9,170	18,867
1949	9,058	14,719
1950	9,271	15,171
1951	9,975	17,693
1952	10,771	16,735
	192,844	270,733

Mr. ANDERSON. Mr. President, I call the attention of Senators to a publication which has probably arrived at their offices today or yesterday, "Economic Indicators," for July 1953, prepared for the Joint Committee on the Economic Report by the Office of the Economic Adviser of the President. It is not my desire to have printed in the RECORD at this time the tables appearing in the report, but they indicate that farmers generally were getting above parity for a great number of years. Now prices have dropped substantially below parity. It seems to me that the fact that farm income is down ought to cause us to be very careful as to how we administer agricultural programs, and to make certain that we try to ascertain if there are devices that can be used for the help of farmers.

I should also like to place in the RECORD a table I have prepared, which is a basis for the statement I made the other day that at present there are 10 million more cattle on the range than there should be. The table shows that the population growth of the United States would permit us to have about a million and a half more cattle each year, and to absorb them by our larger appetites, assuming, of course, that income and all the other factors which have to be assumed remain the same. I know they do not remain the same; they go up and down. Consumption varies. But if we assume that the average person is able to buy about as much meat as he has been buying, we can have a million and a half more cattle on the range each year.

From January 1950, to January 1953, the number of beef cattle should have increased from 42.5 million head to 47 million head. Actually, the number on the range increased from 42.5 million

head to 57 million head. In my opinion, the 10 million extra cattle are what are causing the endless trouble.

Mr. MORSE. Mr. President, will the Senator yield at that point for a question?

Mr. ANDERSON. I yield.

Mr. MORSE. I am always interested in the base of statistical analyses, as well as the basic assumptions that go into the compilation of a statistical table. I assume that when the Senator from New Mexico says that there are 10 million more cattle than there should be, based upon the basis of the analysis he is using, he does not mean to imply that the present rate of meat consumption is the maximum rate that would be good for the American people to consume from a nutrition and dietary standpoint.

Mr. ANDERSON. I am deeply indebted to the Senator from Oregon for bringing up that question. I might have overlooked it. I wish to comment upon it.

If we should eat only the amount of beef the people of Argentina eat, we could eat ourselves out of this surplus in a very few years. We have not too many cattle for the American public if the American public would eat as much beef as should be consumed. Meat is one of our finest foods. I think it is a little short of criminal that we do not eat our way out of this surplus.

The statistics which I used are based upon our present eating habits. They are not based upon what we ought to be eating if we are to get the greatest nutritional value out of the great national asset on our ranges. We could eat up these 10 million cattle very quickly if we raised our beef consumption to a figure even close to what I think it ought to be.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MORSE. I do not wish to enter into a prolonged discussion, because I intend to cover this subject in a week or two in one of my weekly reports when I deal with the question of surplus food. However, there are two other phases of the problem which I should like to mention in passing, for whatever comment the Senator from New Mexico may wish to make.

If I may say so without embarrassing the Senator, I have stated in many places in America that I think the Senator from New Mexico, for my money, is the greatest agricultural expert whom I know. I am always eager to have his opinion.

Does the Senator from New Mexico agree, assuming that, from a nutritional standpoint, it would be well for the health of the American people if they were to consume more meat—and I understand that is medical opinion—that their ability to do so, of course, depends upon their purchasing power; and their purchasing power depends upon the expanding of our economy, so that there may be created the necessary new wealth out of which an increased purchasing power will flow. Is not that true?

Mr. ANDERSON. That is true.

Mr. MORSE. Does the Senator agree with me, then—

Mr. ANDERSON. Let me say that that applies not only to meat.

Mr. MORSE. It applies to all consumer goods.

Mr. ANDERSON. That is the very basis of the citrus industry in Florida. There are very carefully worked out statistics which indicate that if a family is in very meager circumstances it buys flour and some of the things which are requisite to life, and then, as it gets a little more money, it acquires milk and eggs. Finally it gets some good meat. Then, about the last thing it adds to its diet is the very nutritious citrus fruit which the Senator from Florida [Mr. HOLLAND] would want me to say is very fine—and it is. That is one of the reasons why a high and expanding economy will help this country, because it does bring about the consumption of the type of foods which makes a contribution to the nutritional system which we ought to have. I regret to say that it is only when we have periods of war emergency, when everyone can find a job at a high salary, that we consume as much meat, milk, eggs, fresh vegetables, and citrus fruits as we ought to consume.

Mr. MORSE. I only make this comment in passing: In connection with citrus fruits, it is very interesting that those of us who are parents and are in the economic purchasing power class, have been known—and I am sure it is typical of all of us—to boast about when our babies first started to take orange juice, to show how they were coming along, overlooking the fact that in America there are tens of thousands of babies each year who ought to be sipping citrus fruit juice, but who cannot get it. It illustrates the point I wish to make, that it seems to me our job as statesmen in the Senate is to do those things necessary to expand our economy, instead of going along with what is developing, in my judgment, to be an economic pattern of restricting the economy.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Wyoming.

Mr. BARRETT. Mr. President, I wish to call the attention of the Senator from New Mexico to the fact that in the past 4 months the consumption of beef in this country has increased on an annual basis from 60 pounds to more than 70 pounds per person. That indicates to me that the people of America will consume the meat so long as it comes to market in an orderly manner.

I believe that the limiting factor in the consumption of meat in the past few years has been the price tag. With the reduction in the prices paid to the producers, it seems to me the packers and the retailers of the country could reduce the price to the consumers more than has been done. I am convinced that the people of the country are hungry for meat, and that they will eat us out of the bad situation confronting the industry at the present time.

But, as I stated earlier to the Senator, it seems to me that the next 3 or 4 months are going to be very critical for the cattle industry, and particularly so if a large proportion of the industry

becomes panic-stricken and liquidate their herds without rhyme or reason. I believe they should ship more cows than they have in recent years.

It seems to me that if we can hold the situation down to an orderly marketing of the cattle on hand at the present time, and if the Secretary of Agriculture will carry out his program to purchase 10 billion pounds of beef every week and divert it from normal consumption, and particularly if we can move into another program of about the same type and character, which would take out of ordinary channels an additional quarter of a billion pounds of beef and use that meat in our foreign-aid program, we would be in such a position that we could see daylight by the end of this year.

Mr. ANDERSON. I agree with the Senator from Wyoming. I think it is very important that we try to find opportunities for expanding cattle slaughter. I was about to point out that slaughter had accelerated; but slaughter must accelerate somewhat more if we are not going to add to the surplus this year. If, by our planning, we will try to make possible the slaughter of from 38 million to 40 million head this year, we shall reduce our surplus a little. We shall give an indication that the cattle population is at a more stable figure, and I think we shall solve the problem which we are worrying about with reference to the cattlemen of the country.

Mr. BARRETT. Mr. President, will the Senator further yield?

Mr. ANDERSON. I yield.

Mr. BARRETT. As I have heretofore indicated, the figures, which I believe have been authenticated, lead me to believe that, if the slaughter for this year is in excess of 35 million head, and, assuming that the calf crop will be as estimated by the Department of Agriculture—around 39 million head—with the loss of 4 million of those calves, then we shall find that the total cattle population of the country will be stabilized.

Mr. ANDERSON. I agree with the Senator. I have indicated that I think the cattle population normally should increase about 1½ million a year. If, therefore, we broke even, if we had 35 million head slaughtered, and 35 million head of new cattle, with the need to expand about 1½ million, we really would be on a very stable basis, and would be in fine shape from there on out.

Mr. BARRETT. I thank the Senator. I agree with him.

Mr. ANDERSON. I think every effort should be made to slaughter as many of these cattle as possible, with particular emphasis on the female animals.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing cattle numbers in the United States, and the amount needed to meet the population growth.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cattle numbers in the United States

[Figures in millions]

Year	Total	Dairy	Range	Needed to meet population growth
January 1949.....	76.8	35.3	41.5	-----
January 1950.....	78.0	35.5	42.5	42.5
January 1951.....	82.0	35.6	46.4	44.0
January 1952.....	88.1	35.9	52.2	45.5
January 1953.....	93.0	36.0	57.0	47.0

Mr. ANDERSON. There are one or two other small items which I should like to cover. I see the distinguished senior Senator from Minnesota [Mr. THYE] in the Chamber.

Some people have asked why the great slaughtering of cattle has not affected the price of hogs. I think the price of hogs has stayed up very well. One of the things we should remember is that hogs on farms as of January 1, 1953, are estimated to be about 54 million, which shows a decline of 14 percent from the 64,582,000 reported on January 1, 1952.

So with all the increase there has been in cattle slaughtering, the number of hogs has dropped sufficiently for hog prices to stay firm, proving that the trouble is not with the amount of meat in the market. There is a market for plenty of beef and hogs if the prices, as the Senator from Wyoming [Mr. BARRETT] has suggested, are right.

Mr. President, there are many points to which I might have devoted my time. I did want to put some figures in the RECORD, and I did want to say that I am opposed to attaching amendments to the bill, because I am very anxious that the emergency part of the legislation shall become effective at the earliest possible date.

I do not mean by that to intimate that I condemn the suggestions for amendment made by Senators. I merely say that for the present I think we should pass the emergency legislation as it has come to the Senate and get it out of the way and try to do something for the farmers of the Nation. I think consideration should be given to the other subjects at an early date, and I shall be glad to participate in such consideration. However, I urge that the Senate pass the pending legislation now without amendment.

Mr. AIKEN. Mr. President, first let me thank the able Senator from New Mexico for the very excellent presentation of the situation which confronts us now. I am sure he has presented it in such a manner as to make it perfectly clear. As has been said by the Senator from New Mexico and the Senator from Nebraska, we do have a surplus of cattle at the present time. We believe that the very large increase in the consumption of beef, amounting in some retail outlets to 60 percent during the past 5 months, as compared with last year, may do a good deal to bring the number of cattle in line with the requirements of the country.

Nevertheless, we have a situation facing us which must be considered and dealt with during the next few months.

No doubt the amendment proposed by the Senator from Nebraska [Mr. GRISWOLD] would be effective in reducing the number of live cattle in the country. However, it would only take the cattle off the hoof and put it in the cans. In my opinion it would not in any sense of the word be a substitute for an emergency loan program, which is contemplated by the pending bill.

I am advised by the Department of Agriculture that we have today about 500 million pounds more of lower quality beef in this country than would ordinarily be sold during the rest of this year through regular marketing channels. The department is fully cognizant of the situation and of the necessity for disposing of the 500 million pounds of such beef. However, they do not want to put it in cans and on the shelves. They want to have it consumed. They are stepping up the school lunch program, and will use about 200 million pounds during the next few months in the school lunch program. They are stepping up the foreign purchase programs. But they are still likely to have more than 300 million pounds of low-grade beef such as is ordinarily used in hot dogs, sausages, and hamburgers, more than the market would ordinarily use.

On June 26, which is a little over a week ago, 25 of the top-grade marketing specialists of the United States met in Washington, at the call of Secretary Benson. They represented all the important retail outlets for food in this country. I will read a few of the names:

M. L. Toulme, executive vice president, National American Wholesale Grocers Association, New York; Mr. R. M. Keifer, secretary-manager, National Association of Retail Grocers of the United States, Chicago; John A. Logan, president, National Association of Food Chains, Washington, D. C.; Robert J. Wilson, Washington secretary, National Restaurant Association, Inc., Washington; Charles Horroth, vice president, American Hotel Association, New York; W. F. Ziervogel, secretary-treasurer, Association of American Railroad Dining Car Officers, St. Louis; Donald Grimes, Independent Grocers' Alliance Distribution Co., Chicago, Ill.; Jerry Voorhis, executive secretary, the Cooperative League of U. S. A., Chicago.

I will not read the whole list. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

RETAIL MEAT TRADE AND INDUSTRY COMMITTEE

M. L. Toulme, executive vice president, National-American Wholesale Grocers Association, New York, N. Y.

Harold O. Smith, Jr., executive vice president, United States Wholesale Grocers Association, Inc., Washington, D. C.

Watson Rogers, president, National Food Brokers Association, Washington, D. C.

Mrs. R. M. Klefer, secretary-manager, National Association of Retail Grocers of the United States, Chicago, Ill.

John A. Logan, president, National Association of Food Chains, Washington, D. C.

Don Parsons, executive director, Supermarket Institute, Inc., Chicago, Ill.

Norman H. Karel, executive secretary, Co-operative Food Distributors of America, Chicago, Ill.

Herbert T. Webb, president, National Voluntary Groups Institute, Chicago, Ill.

Robert J. Wilson, Washington secretary, National Restaurant Association, Inc., Washington, D. C.

Charles Horrworth, vice president, American Hotel Association, New York, N. Y.

Wesley Hardenbergh, president, American Meat Institute, Chicago, Ill.

J. F. Woglom, Jr., Coordinating Commission of the Food Industries, New York, N. Y.

R. C. Pollock, general manager, National Livestock and Meat Board, Chicago, Ill.

Andrew J. Crotty, Crotty Bros., Inc., Boston, Mass.

Dr. Paul Nystrom, president, Limited Price Variety Stores Association, New York, N. Y.

George Nepel, manager, National Association of Retail Meat and Food Dealers, Chicago, Ill.

Lewis C. Shave, advertising and merchandising manager, Nationwide Stores, Inc., Brockton, Mass.

W. F. Ziervogel, secretary-treasurer, Association of American Railroad Dining Car Officers, St. Louis, Mo.

Donald Grimes, Independent Grocers' Alliance Distributing Co., Chicago, Ill.

E. H. Martin, National Food Distributors Association, Chicago, Ill.

Arnold A. Rivin, American Hospital Association, Chicago, Ill.

Hull Bronson, executive secretary, National Industrial Stores Association, Washington, D. C.

Ray O. Harb, Red & White Corp., Chicago, Ill.

Jerry Voorhis, executive-secretary, the Co-operative League of the United States of America, Chicago, Ill.

Earl Hopping, Hopping Food Stores, Indianapolis, Ind.

Mr. AIKEN. Mr. President, what those 25 topnotch specialists met in Washington for was to devise ways and means of helping to dispose of the large surplus of beef which we have today.

They are going full speed ahead with a promotional program, and fully believe that between now and this fall they can dispose, through advertising and other means, of this surplus of 300 million pounds of low-grade beef, which will be over and above the amount normally required. They will put emphasis on getting rid of it. If they do as well with this program as they have done with some other commodities in the past, I think we may feel confident that they will be successful in the drive.

After all, it seems to me that we should give the program worked out by the marketing specialists with the Secretary of Agriculture a chance to work before we put the United States Department of Agriculture into the meat business. That would take some time. It could not be done overnight. I think we ought to give this group, which has evidenced a desire to show the country that they can move this beef, a chance to do so. In the case it does not appear to be working out within a reasonable length of time, then I am satisfied the Department of Agriculture will, if necessary, move into the market and purchase

live animals. They are reluctant to do it, to go into that kind of operation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed a bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, in which it requested the concurrence of the Senate.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

The Senate resumed the consideration of the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

Mr. AIKEN. So, Mr. President, let us not attach amendments to the emergency loan bill. Let us give the other program a chance to work. The market has already strengthened since we have been talking about the loan program. Yesterday there was a strong market for all grades of cattle. I noticed particularly in the Chicago market that utility and commercial cows are selling for \$11.75 to \$14.50, and canners and cutters for \$9.50 to \$11.50. There is a strengthening of other grades as well.

The very fact that we are promising and intending to help out those who are in the unfortunate position of not being able to help themselves appears to be strengthening the market very rapidly. I understand in some parts of the country there has been an increase of about 3 cents a pound over the past few days in the lower grades of cattle. So let us give the Department of Agriculture a chance to work it out. It is already obtaining some results, and I think it will work out very satisfactorily indeed.

I wish to say a word about the message just received from the House of Representatives, namely, regarding the companion bill passed by the House of Representatives about an hour ago. At the proper time I shall move that the Senate proceed to consider the House bill; and if that motion is agreed to, I shall offer an amendment to strike out all after the enacting clause of the House bill, and to substitute the text of the Senate bill. In that way, time will be saved in arriving at the final legislative enactment on this subject.

Mr. GRISWOLD. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. GRISWOLD. Is it the understanding of the Senator from Vermont that the Secretary of Agriculture has authority to go into a program such as the one suggested in by amendment?

Mr. AIKEN. I am sure the Secretary has authority. I am also satisfied in my own mind—I do not state this as a promise on the part of the Secretary, because I have not talked directly to him today—that if need be, the Department of Agriculture would not hesitate to buy the live cattle. But it is reluctant to do so

if the promotional campaign which the marketing outlets of the country have promised, works out in the way the Department understands it is going to work out.

Mr. GRISWOLD. I understand the Secretary has such authority under the law. My question is whether he has discretionary authority to engage in a price-support program which might include price control and rationing, or whether he could engage in a purchasing program.

Mr. AIKEN. I think the Secretary could spend \$100 million on beef or live cattle alone, or could proceed in any way he chose to exercise his authority at the present time or in the near future, if need be.

Mr. GRISWOLD. I thank the Senator from Vermont.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. HOLLAND. Following the questions just asked by the distinguished Senator from Nebraska and answered by the distinguished Senator from Vermont, let me inquire if it is not a fact that the so-called section 32 funds, with which the Senator from Vermont is quite familiar—being 30 percent of the import tax as it accumulates from year to year—are available, without being earmarked for the regular price-support program, and could be used in any way to use up surpluses and to help restore impaired buying power of the agricultural producers? Is not that the very purpose of the section 32 funds, namely, to make it possible to find ways and means, other than those available through the regular price-support program, to prevent destruction of the agricultural purchasing power and to protect the economic security of the agricultural groups?

Mr. AIKEN. The Senator from Florida is entirely correct, and his remarks are very pertinent. I believe there is this restriction upon section 32 funds: that not more than 25 percent of the amount available can be spent on any one commodity. However, I understand that more than \$400 million is available at the present time.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield further to me?

Mr. AIKEN. I yield.

Mr. HOLLAND. I believe that at present the law permits the funds derived from section 32 collections from year to year to accumulate to a total of \$300 million, which can be carried forward from one year to the next, and that a total of \$300 million was carried forward this year, and that, in addition, there will be available section 32 collections, for this year, of nearly \$175 million.

It is true, is it not, that unquestionably up to 25 percent of the accumulation of \$300 million and of the current section 32 collections for this year will be and is, under the law, available for use in connection with a single commodity—which in this instance is cattle or cattle products—in order to be of service

to the producers and to be in the interest of the producers, so that their economic strength will not be broken down?

Mr. AIKEN. The Senator from Florida has accurately described the situation, and it is as he says it is.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. BARRETT. Within the last week I have had occasion to examine the figures on section 32 funds. I may say that the Senator from Florida is entirely correct. The total amount available under section 32 at the present time is \$471 million. I have checked a little further, and I find that the tariff on wool imported during the last 5 years accounts for \$171 million of the total of \$471 million. Mr. President, it is these very same imports of wool that has been dumped on our shores and as a result has destroyed the domestic market for the wool producers of this country. Consequently, the woolgrowers of America find themselves in a mighty serious predicament today. I was mighty pleased, Mr. President, when I earned a few moments ago that the President of the United States had ordered the Tariff Commission to make an immediate study of wool imports and to determine if such imports are endangering our domestic support price program on wool. I was very pleased that the President also requested the Secretary of Agriculture to make a study of the wool situation and to make recommendations that would insure the restoration of a strong and healthy domestic wool industry.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield further to me?

Mr. AIKEN. I yield.

Mr. HOLLAND. I appreciate the remarks of the distinguished Senator from Wyoming. I say to him that although I am mindful of the plight of the woolgrowers, and although I hope they will be aided in some proper way by Congress, at the same time I believe their plight constitutes a problem which is as distinct from the problem with which we are attempting to deal by means of the pending emergency bill as are the problem dealt with by the amendment of the distinguished Senator from Wyoming [Mr. KERR] and the problem dealt with by the amendment of the distinguished Senator from Nebraska [Mr. GRISWOLD].

I join entirely in the plea already made by the chairman of our committee, the distinguished senior Senator from Vermont [Mr. AIKEN], and by the Senator from New Mexico and other Senators, that we allow this emergency bill to be passed without encumbering it either with amendments relating to programs foreign to the troubles of the cattle producers or with amendments which constitute general policy changes on an important scale.

I call to the attention of the distinguished Senator the fact that otherwise, if we do not allow this emergency bill to pass, it seems to me we shall jeopardize, in the first instance, the committee system of the Senate because no study has been made of these important additional proposals—and I think it would

be unthinkable to so jeopardize our committee system, which gives stability to our floor actions and assurance to Senators and to the public when we act upon matters of this importance; and, in the second instance, it seems to me we would then be acting with undue haste, and that probably we would jeopardize the entire agricultural price-support program, which I know is of very great importance to all Senators, regardless of the States they represent or regardless of whether they represent producers of agricultural products; and, in the third instance, I call attention to the fact that for the first time since I have been a Member of the Senate we would depart from what has always heretofore been an invariable, though unwritten, rule of the Senate, namely, that when relief legislation of this sort is proposed and is being considered by us, in an attempt to provide prompt emergency assistance to those who are in difficulty and distress, we shall not allow our effort to be impaired and encumbered by the addition of amendments dealing with extraneous matters.

So I plead with the Senate to pass this measure promptly and unencumbered, so that the important emergency relief which is intended to be given shall be given without additional delay.

I thank the distinguished Senator from Vermont for allowing me to make this brief statement.

Mr. AIKEN. I have been glad to yield to the Senator from Florida.

Mr. CARLSON. Mr. President, I do not like to let this opportunity pass without again calling the attention of the Senate to what I believe to be the wrong method of determining parities on farm prices. I referred to this in the Senate on April 20. It seems ridiculous to think that we should take good, choice, prime cattle, and very good cannery cows for the purpose of arriving at a figure by comparison. I think it distorts the picture of the price of cattle in the minds of the consumers and psychologically affects the price of beef. It is interesting to note that even at the present time, or on June 15, in the cattle markets, parity on beef cattle was \$20.70. On June 15, 1952, the parity was \$21, and on June 15, 1951, it was \$19.90. In that situation we have the psychological effect on the consumer. Choice beef was selling for as high as \$35 and sometimes \$40 per hundredweight; and, of course, it was natural for the folks who purchased beef products to say, "Well, the prices of cattle are extremely out of line."

Those of us who feed cattle, and those of us who are somewhat familiar with the cattle markets, know that at the present time it costs 30 cents a pound to produce choice beef, and the parity is \$20.70. The consumption of beef has greatly increased. Therefore, I think the Committee on Agriculture and Forestry should give serious consideration to working out a formula for parity based on different grades of beef.

On grains we have a parity. There is no trouble in the case of grains, because there is not much difficulty with respect to grade and quality.

The situation with respect to hogs is not so severe, but with respect to cattle there is a peculiarly acute problem. It is my sincere hope that the Committee on Agriculture and Forestry will give some thought to this problem when it considers other programs dealing with the livestock. In view of the probable 10-million-head excess of cattle, I have no doubt that we shall have future problems in the cattle industry.

I sincerely hope the Senate will pass the bill reported by the Committee on Agriculture and Forestry, and will do so without amendments. I shall vote against the amendment of the Senator from Nebraska [Mr. GRISWOLD] and the amendment of the Senator from Oklahoma [Mr. KERR]; not that I do not think the amendments have merit, but in view of the action of the House, and in view of the urgency of the situation, I earnestly hope the Senate will pass the pending bill as reported by the Senate Committee on Agriculture and Forestry.

Mr. GRISWOLD. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield to the Senator from Nebraska.

Mr. GRISWOLD. On the subject of parity for livestock prices, I wonder whether the Senator from Kansas agrees with me that a different situation prevails in the livestock industry than that which prevails in the grain-raising industry, because the development of modern machinery and the use of modern farming methods have made it possible to raise wheat with less manpower and with less labor cost probably than was incurred by our fathers and grandfathers in raising wheat. Modern machinery and modern methods have changed the situation. On the other hand, there is definitely a very great increase in the cost of raising livestock, and I do not think the increased cost is properly reflected in the so-called parity prices which up to date have been established on livestock. I think that aspect of the situation should also be studied by the committee.

Mr. CARLSON. I thoroughly concur in the statement made by the Senator from Nebraska. The whole problem should be studied, and it is important that it be studied by the Committee on Agriculture and Forestry. It is important to the future of the great livestock industry.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to my distinguished colleague.

Mr. SCHOEPPPEL. I want to say to my colleague that he has raised for determination a very important and a very necessary question. He is aware that at the time of the discussion before the Committee on Banking and Currency, when some were asking for livestock-slaughtering quotas, and the question of price differential and the grading situation with respect to beef and other meat products were being presented, the hue-and-cry was that the price of beef was far out of line with parity. The very question my colleague [Mr. CARLSON] is submitting at this time was before the Committee on Banking and Currency,

and the suggestion was made at that time—it was made to my knowledge, because I remember that I was then a member of the Banking and Currency Committee—that the Committee on Agriculture and Forestry should certainly give some consideration to the very important question now raised by my colleague. I know he is on sound ground, and I know that what he suggests should be done. It would eliminate a great deal of the misunderstanding that prevails in the country as to that very serious question.

Mr. CARLSON. I appreciate very much the statement of my colleague, the senior Senator from Kansas, in regard to this important point. It involves a serious question which should be given study by the Committee on Agriculture and Forestry.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a statement on the subject of inventory losses on livestock I made on April 30, which appears on page 4357 of the CONGRESSIONAL RECORD of that date, together with an accompanying statement by Mr. A. G. Pickett, secretary of the Kansas Livestock Association; also, a letter addressed to me by Mr. Pickett under date of April 25, 1953, together with a table showing parity figures on beef-cattle prices, as of June 15, for the years 1950, 1951, 1952, and 1953.

There being no objection, the statements, letter, and table were ordered to be printed in the RECORD, as follows:

INVENTORY LOSS ON LIVESTOCK

Mr. CARLSON. Mr. President, no segment of our agricultural economy has taken a greater loss during the past 12 months than the producers of beef cattle.

The inventory loss on livestock last year was \$4,700,000, and this severe loss in value not only affected the cattle producers and feeders of our Nation, but has had and will have a direct effect on our entire national economy.

Despite this heavy decline in cattle prices, the parity price shows that cattle are at or above parity price. Based on the present formula of figuring parity, this would indicate to the public that since cattle are selling above parity, they are selling at a fair price. Everyone familiar with cattle feeding knows it costs at least 30 cents a pound to feed cattle and at the present time our operators are taking a terrific loss.

At the present time parity figures are based on an average price of beef from choice cuts to canner cuts.

It occurs to me that the only satisfactory way to establish a parity price for beef would be to figure it on a grade basis. I would urge the Secretary of Agriculture to review the present method of figuring parity based on present-day costs.

Mr. A. G. Pickett, secretary of the Kansas Livestock Association, has prepared an excellent statement on beef cattle parity, and I ask unanimous consent that it be made a part of these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"BEEF CATTLE PARITY

"(By A. G. Pickett)

"Cattle producers have been faced with a critical price and production cost situation for the past several months. So-called cattle parity needs immediate attention. As a matter of fact, it has needed attention for some time.

"Producers, as well as the entire industry, took a terrific beating the past 3 years. Con-

sumers were grossly misinformed in regard to cattle and beef prices. The basis for this misinformation and propaganda was the so-called beef cattle parity price. Very few people interested in the industry have concerned themselves with this problem, first because very few understand the problem and second, because a so-called price-support program has never been used in the industry. Most producers were opposed to and are still opposed to Government control and interference.

"The spread between a prime and choice grain-fed steer and a cull canner cow is so great that to set a single figure at a point between the two extremes and point to it as a fair price for cattle is ridiculous and most damaging to the industry from a public-relations standpoint. In most grains, and even hogs, the price spread between the top and lower grades is so small that one figure can reasonably well represent a value for the commodity. Over a period of years, figures will show that on the average there hasn't been much profit in the actual feedlot operations, but that gains put on in the feed lot have about paid for the cost of such gains. In general, the feeder's profit has been in a plus-price margin. His finished product must bring more per pound than his feeder animal cost. Using history as a guide, then, choice- and prime-fed steers should be bringing at least 30 cents a pound. In my opinion, more feeders at present are experiencing feedlot costs above 30 cents a pound gain than are doing the job for less. On the other hand, canner cows are selling as low as 10 cents a pound. The Department of Agriculture is currently quoting approximately 21 cents a pound as cattle parity. To continually publicize such a relatively low price as being a fair price for all grades of cattle when the consumer's attention is constantly focused on the higher cattle prices and the most expensive cuts of beef coming from these cattle makes for the worst kind of public relations. Beef produced from cattle falling under this average, or I believe they refer to it as a composite price, received very little, if any, attention when we were operating under cattle ceiling prices. Beef that was always referred to, and which caused so much publicity, came from cattle that would have an actual true parity well above this average figure. Why should the Department of Agriculture continue to use such a figure that gives a completely false impression of the true situation?

"Cattle producers and producer organizations have generally endorsed the present principles adhered to by Secretary of Agriculture Benson. They have approved the program recommended by the producers' advisory committee. This committee recommended that the Government purchase American beef so long as they were purchasing commodities for distribution to various agencies and sources. Such a program cannot possibly accomplish what it is intended to accomplish as long as the purchase price must not be more than 90 percent of average parity. To be really effective, such purchases should be made from the grade of beef that is in burdensome supply. It is easy to see that if the law requires that the purchase price be held to 90 percent or less of approximately 21 cents, live-weight basis, the price of slaughter cattle will need to decrease even lower than they are at present before any beef from fed cattle could be purchased. We understand the United States Department of Agriculture recently purchased beef at less than 28 cents a pound, which would mean 14- to 15-cent cattle on foot. This took beef out of trade channels, but might even have a bearish effect on fed cattle that are currently in distress.

"Cattle parity should be figured on a grade basis

"Any figure used and purported to be a fair and equitable price for cattle must apply to

specific grades of cattle. As mentioned above, this is necessary both from a public relations and consumer's educational standpoint as well as to make any Government-purchase program effective.

"I haven't had the time to figure parity on grade basis as of now but an example used back in 1951, when we were pointing out the injustice of a price rollback, will serve as an example. The Bureau of Agriculture Economics, in their publication, *Agriculture Prices*, dated December 29, 1950, figured out and set up the parity prices by grades as of that date. We are using these figures rather than others, too, because these are the last figures we have seen coming from the Department of Agriculture and therefore should not be questioned.

"Cattle parity by grades, December 1950

	Percent
Parity (average figure).....	141
Choice and prime steers.....	108
Good.....	114
Commercial.....	122
Canner cows.....	167
Slaughter bulls.....	149

"The figures clearly show how ridiculous it is to point to one price as being fair to all cattle. As long as cattle parity is figured as at present, all grain fed cattle prices will appear to be too high to the uninformed or they will be so low no one can feed. In May 1951 our testimony in opposing price rollbacks using the above Government figure, showed that even the first 10 percent rollback put choice and prime steers below parity even though the price was well above the so-called parity or composite figure. Our calculations that year, assuming parity did not increase, showed that the rollback as proposed by OPS would put prime steers \$3.67 below parity. The entire OPS program was based on this false parity.

"High feed price supports

"The Government at present is supporting feed grains, protein concentrates, and other feeds at high price levels. These feeds are the ones required to produce finished beef, and the least the Department should do for the beef-cattle industry is to publicize beef-cattle parity prices on a grade basis. These high feed prices are the major, feedlot costs and make for a relatively high parity price on these fed-cattle grades. The Government is holding a large amount of corn in storage now, some of it 4 years old and spoiling, at a price so high feeders cannot utilize it without taking a loss. This doesn't sound like good economics. We feel that too few have recognized the damage done by bad publicity. Most of this unfavorable advertising has been based on high cattle prices, and they always use the extreme top price for the best fed cattle and compare this figure with parity as now used. This composite or average price in reality is far from true parity for the grade and quality of cattle and beef in question.

"This present parity figure applies to stockers and feeder cattle the same as slaughter classes. Why should the Department of Agriculture establish a composite price, so-called parity, which reflects the value of even the doggiest scrub steer and then constantly point a finger at this average price as being a fair price for all producers?

"To the public, such misinformation leads the public to believe that the person producing choice quality calves and yearlings is a profiteer."

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kans., April 25, 1953.
Hon. FRANK CARLSON,
Senate Office Building,
Washington, D. C.

MY DEAR MR. CARLSON: The enclosed discussion of beef cattle parity, as presently established by the Department of Agriculture, is one thing that needs immediate at-

tention. Why should the producer who is producing top-quality feeder cattle, or feeding cattle to top commercial grade or above, be placed in such an unfavorable position from the price standpoint? The present high support prices for feeds that make top-fed cattle will naturally make a relatively higher parity figure for these grades of cattle. Yet this completely false figure is used to place him in an unfavorable light in the eyes of the general public.

The price of fed cattle is still above present parity of approximately 21 cents. The best choice and prime steers on the Kansas City market are bringing 22½ to 23 cents, which would indicate to the public, since they are above parity, that they are selling at a fair price. It is costing, however, at least 30 cents a pound to feed these cattle, and all feeders are taking a tremendous loss on their operations.

If the Secretary of Agriculture wants to do something to help the beef cattle industry, the correction of this false parity should be of great benefit, won't cost any money, and certainly should not be controversial. With the present price for feeds, it would almost be necessary for the feeder to secure his replacements as a gift before he can realize a profit.

Very truly yours,

KANSAS LIVESTOCK ASSOCIATION,
A. G. PICKETT, Secretary.

Beef cattle prices (as of June 15 of the years indicated)

	Effective parity price	Average price received by farmers as percentage of parity
1950.....per hundredweight...	\$17.30	137
1951.....do.....	19.90	148
1952.....do.....	21.00	125
1953.....do.....	20.70	77

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CARLSON. I am very happy to yield.

Mr. AIKEN. I should merely like to say to the Senator from Kansas that the chairman of the Committee on Agriculture and Forestry is not satisfied with the parity yardstick, though it is much better than it used to be. In fact, under the former parity program I think prices of cattle probably would have been less than a third of what they now are. I still am not satisfied with it, but we cannot abandon it until we have something that affords a better yardstick.

Mr. CARLSON. I appreciate very much the remarks of the chairman of the committee.

Mr. AIKEN. I think it is something on which we should be working continually. When we consider that the support price on soybean oil is fixed at 90 percent of parity, which amounts to approximately the same as 75 percent of parity on cottonseed oil, that, on its face, shows that as a yardstick it is far from perfect. I hope that in the future we can either improve the formula so as to make it more equitable, or find a satisfactory substitute. That is not going to be easy.

Mr. CARLSON. I certainly appreciate the remarks of the distinguished chairman of the Committee on Agriculture and Forestry, I know he takes a personal interest in this matter, and I am sure the committee will continue to study

it further. It is important from the standpoint of the producers of cattle, because of the psychological effect it has upon the sale of beef to the consumers throughout the country.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. GRISWOLD], offered as a substitute for the amendment of the Senator from Oklahoma [Mr. KERR], to insert at the end of the bill a new section.

The amendment in the nature of a substitute was rejected.

The PRESIDING OFFICER. The question now is upon agreeing to the amendment offered by the Senator from Oklahoma [Mr. KERR].

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	McCarthy
Anderson	Griswold	McClellan
Barrett	Hayden	Millikin
Beall	Hendrickson	Monroney
Bennett	Hennings	Morse
Bricker	Hickenlooper	Mundt
Bridges	Hill	Murray
Bush	Hoey	Neely
Butler, Md.	Holland	Pastore
Butler, Nebr.	Humphrey	Payne
Byrd	Hunt	Potter
Capehart	Jackson	Purtell
Carlson	Jenner	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kefauver	Smathers
Cordon	Kennedy	Smith, Maine
Dirksen	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Duff	Knowland	Stennis
Dworschak	Kuchel	Symington
Eastland	Langer	Thye
Ellender	Lehman	Tobey
Ferguson	Long	Watkins
Flanders	Magnuson	Welker
Frear	Malone	Wiley
George	Mansfield	Williams
Gillette	Martin	Young
Goldwater	Maybank	
Gore	McCarra	

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from New York [Mr. Ives] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL] and the Senator from Arkansas [Mr. FULBRIGHT] are absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment proposed by the Senator from Oklahoma [Mr. KERR].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. AIKEN. Mr. President, I ask unanimous consent to consider House bill 6054, to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

Mr. KNOWLAND. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. KNOWLAND. Is that the equivalent House bill?

Mr. AIKEN. Yes.

Mr. KNOWLAND. Is it in the same language as the Senate bill?

Mr. AIKEN. No.

Mr. KNOWLAND. Is it the purpose of the Senator to substitute the Senate bill for the House bill?

Mr. AIKEN. It is.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont?

There being no objection, the Senate proceeded to consider House bill 6054.

Mr. AIKEN. Mr. President, I move that all after the enacting clause of the House bill be stricken and that the language of Senate bill 2267, as amended, be inserted.

Mr. CASE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE. Has the Senate approved the text of the Senate bill?

Mr. AIKEN. It has.

Mr. CASE. What is being substituted—the Senate bill as it has been amended?

The PRESIDING OFFICER. The Senate has agreed to the committee amendments.

Mr. CASE. And the motion is to substitute the language of the Senate bill as it is presently amended?

The PRESIDING OFFICER. That is correct.

Mr. CASE. I should like to ask the Senator from Vermont a question. Does the bill include the amendment proposed by the Senator from Wyoming to insert the words "and feeders"?

Mr. AIKEN. It was not proposed, because it was agreed on the floor that the matter which was brought up by the Senator from Wyoming was covered in the bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont that all the language of the House bill after the enacting clause be stricken and that the language of the Senate bill 2267, as amended, be inserted.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. AIKEN. Mr. President, I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. AIKEN, Mr. THYE, Mr. HICKENLOOPER, Mr. HOLLAND, and Mr. ANDERSON conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, the Senate bill 2267 is indefinitely postponed.

REMOVAL OF LIMITATION OF RANK AND PAY OF LEADERS OF MILITARY AND NAVAL ACADEMY BANDS

The PRESIDING OFFICER (Mr. PAYNE in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1644) to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the director of music, the leader of the Military Academy Band, and to remove the limitation upon the pay of the leader of the United States Naval Academy Band, and to authorize the appointment of Lt. Comdr. Charles Brendler, United States Navy, to the permanent grade of commander in the Navy, which were on page 3, strike out lines 16 through 21, inclusive, and insert:

Sec. 3. The President is authorized to appoint the present leader of the United States Navy Band to the permanent commissioned grade of commander in the Navy. Such appointment pursuant to this act shall be deemed to be not in the line of the Navy or in any staff corps of the Navy.

And to amend the title so as to read: "An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the director of music, the leader of the Military Academy Band, and to remove the limitation upon the pay of the leader of the United States Naval Academy Band, and to authorize the appointment of the present leader of the United States Navy Band to the permanent grade of commander in the Navy."

Mr. SALTONSTALL. Mr. President, I wish to say that I think there is no objecting to concurring in the amendment of the House of Representatives. This morning I took it up with the minority leader. The amendment is agreeable to the sponsor of the bill.

The amendment adopted by the House of Representatives deletes section 3 of the bill as passed by the Senate, and inserts a new section 3. The House amendment does not change the substance of the bill. The Senator from Wyoming [Mr. HUNT], who sponsors the bill, is agreeable to the amendment adopted by the House of Representatives.

I have examined the House amendment, and I hope the Senate will accept it.

Mr. President, I move that the Senate concur in the amendment of the House of Representatives to Senate bill 1644.

The motion was agreed to.

APPRAISAL OF THE TEXAS WATER PROBLEM

Mr. JOHNSON of Texas. Mr. President, the United States Department of

the Interior, Bureau of Reclamation, area planning office, Austin, Tex., has issued an appraisal of the Texas water problem which is of the utmost importance to all the people of my State.

As I have said many times during my travels over the State during the last 14 years, water is more important to Texas than oil. Long after our valuable petroleum resources are gone, we will be heavily dependent on—and making use of—our water resources.

This study by the Bureau of Reclamation made at the request of the senior Senator from Texas makes it clear that Texas is at present utilizing only a small fraction of its potential water resources. Much hard work has been done by many of us to bring about greater use of the waters of the Brazos and Colorado Rivers and other Texas rivers—to the lasting benefit of a large part of our population. This appraisal of the Texas water problem points the way to similar development of the water resources in our State.

The study, entitled "Water Supply and the Texas Economy, an Appraisal of the Texas Water Problem," has been made into a public document. A limited number of copies thus will be available to individuals and organizations concerned with bringing about conservation and proper distribution of the water resources of Texas.

A path has been opened that can lead to a solution of the recurring problem of water shortages in Texas. It is a path which we in Texas, for the sake of our own future, must follow.

ATTACK ON PROTESTANT CLERGYMEN BY J. B. MATTHEWS

Mr. JACKSON. Mr. President, I wish to call to the attention of the Senate an exchange of telegrams just released by the White House. The three national cochairmen of the commission on religious organization of the National Conference of Christians and Jews sent a telegram to the President of the United States a short time ago calling to his attention a statement made by Mr. J. B. Matthews. Mr. Matthews' statement included this sentence:

The largest single group supporting the Communist apparatus in the United States is composed of Protestant clergy.

The telegram from this organization to the President went on to say:

The sweeping attack on the loyalty of Protestant clergymen and the charge that they are the largest single group supporting the Communist apparatus is unjustified and deplorable.

In reply to this statement the President of the United States stated as follows, in the telegram just released:

I want you to know at once that I fully share the convictions you state. The issues here are clear.

Generalized and irresponsible attacks that sweepingly condemn the whole of any group of citizens are alien to America. Such attacks portray contempt for the principles of freedom and decency.

And when these attacks—whatever their professed purpose be—condemn such a vast portion of the churches or clergy as to create doubt in the loyalty of all, the damage to our Nation is multiplied.

If there be found any American among us, whatever his calling, guilty of treasonous

action against the State, let him legally and properly be convicted and punished. This applies to every person, lay or clergy.

The churches of America are citadels of our faith in individual freedom and human dignity. This faith is the living source of all our spiritual strength. And this strength is our matchless armor in the worldwide struggle against the forces of Godless tyranny and oppression.

This telegram was signed by the President of the United States. The telegram to the President of the United States was signed by Roman Catholic Msgr. John A. O'Brien, of the University of Notre Dame; Rabbi Maurice N. Eisendrath, president of the Union of American Hebrew Congregations; and Dr. John Sutherland Bonnell, pastor of the Fifth Avenue Presbyterian Church in New York.

I wish to commend and congratulate the President of the United States for this fine statement. I believe it represents the deep convictions and sentiment of every fairminded American, regardless of political persuasion. I only regret that Mr. Matthews was not dismissed last week when some of us requested his immediate resignation as the director of the staff of the Subcommittee on Investigations of the Committee on Government Operations. It was obvious to all that the committee could no longer work together cooperatively and effectively so long as he served in the position of staff director.

IMPORTS OF BLUE CHEESE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter addressed to me by William E. Swain, of Faribault, Minn., dated July 3, 1953. The letter deals with the administration of section 22 of the Agricultural Adjustment Act. I found it to be very helpful and informative. I commend its reading to my colleagues in the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURE CAVE,
Faribault, Minn., July 3, 1953.
HON. HUBERT H. HUMPHREY,
Senator from Minnesota,
Senate Office Building,
Washington, D. C.

DEAR HUBERT H.: With regard to your penned note on your letter of June 30, we find that on the basis of the present method of administering section 22 has provided satisfactory restrictions on imports of blue cheese, to permit us to plan production; and continue operations with some reasonable certainty that we will not be faced with the problem that confronted us in 1950, and at the approach of the termination of controls under section 104 of the Defense Production Act. Section 104 was temporary, but did make it possible for us to resume operations when it appeared that the low price and volume of imported blue cheese would force us to close.

The benefit under section 22 will depend on the attitude of administration. We are hopeful that the amendment such as Representative ANDRESEN proposes to section 8, H. R. 4294 will be accepted there, and that someone in the Senate will champion its support, through conference committee and on the floor.

We find it particularly interesting to note that the countries who object the most to our establishment of import controls, protest at the slightest sign that we might offer them competition in world markets, and refuse to



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House of Representatives

The House met at 11 o'clock a. m.
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, in our plans and labors during this day, may we be supremely concerned about establishing a social order that reflects and incarnates Thy righteous purposes.

Wilt Thou bestow upon our minds and hearts the gift of clear vision, the optimistic outlook, and the unconquerable hope that this goal will some day be the blessed fulfillment and fruition of our noblest aspirations and desires.

May our President, our Speaker, and the Members of Congress be girded with wisdom, courage, and indomitable faith as they strive to break down all the barriers and iron curtains which impede the progress of the kingdom of righteousness and deprive mankind of the blessings of freedom.

Hear us in the name of the Christ.
Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 30, 1953:

H. R. 2347. An act to permit continued exercise until 6 months after termination of the national emergency proclaimed December 16, 1950, or until such earlier date as may be established by concurrent resolution of Congress, of certain powers, relating to preferences or priorities in the transportation of traffic, under sections 1 (15) and 420 of the Interstate Commerce Act;

H. R. 5069. An act to prohibit the introduction of movement in interstate commerce of articles of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals, and for other purposes;

H. R. 2313. An act to continue the effectiveness of the act of March 27, 1942, as extended,

relating to the inspection and audit of plants, books, and records of defense contractors for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter;

H. R. 2557. An act to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941;

H. R. 3853. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to continuing the effectiveness of certain statutory provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950;

H. R. 4126. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, relating to war-risk hazard and detention benefits, until July 1, 1954;

H. J. Res. 285. Joint resolution to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953; and

H. J. Res. 287. Joint resolution making temporary appropriations for the fiscal year 1954, and for other purposes.

On July 2, 1953:

H. R. 4654. An act to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes.

On July 6, 1953:

H. R. 3425. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes," approved May 21, 1951.

On July 9, 1953:

H. J. Res. 292. Joint resolution authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives.

(Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. KERSTEN of Wisconsin's remarks will appear hereafter in the Appendix.]

SPECIAL ORDER GRANTED

Mr. KERSTEN of Wisconsin asked and was given permission to address the

House for 15 minutes today, following the legislative program and any special orders heretofore entered.

THE COAL INDUSTRY

(Mr. BAILEY asked and was given permission to address the House for 1 minute.)

Mr. BAILEY. Mr. Speaker, I have asked for this time in order to call the attention of my colleagues to the fact I am introducing legislation this morning to try to relieve the deplorable situation that has developed in the coal industry of the Nation. This bill will be to encourage exports in order to ease the critical situation which exists in the domestic coal industry and to strengthen the other nations of the free world.

The bill reads as follows:

SECTION 1. The Congress hereby finds and declares—

(1) that a critical situation exists in the domestic coal industry, with a large number of mines already closed and more mines about to be closed, and with thousands of miners already out of work and thousands more faced with imminent loss of their jobs;

(2) that this critical situation has had a serious effect on those domestic railroads which are dependent on the transportation of coal for a major share of their income, and on the employees of those railroads;

(3) that the domestic coal industry cannot exist and thrive if it must depend solely on domestic markets for the sale of its product, and that it must therefore develop overseas markets for its product; and

(4) that the industrial and economic strength of the other nations of the free world can be increased (and their dependence on direct American financial aid decreased) if American coal is made available to them at prices which they can afford to pay.

SECRETARY OF COMMERCE AUTHORIZED TO PAY CERTAIN COSTS OF TRANSPORTING COAL

SEC. 2. (a) The Secretary of Commerce is hereby authorized in the manner and to the extent specified in this section, to pay the cost of the transportation by rail of anthracite or bituminous coal mined in the United States to its point of exportation.

(b) The payments authorized by this section—

(1) may be made only with respect to coal which is being exported from the United States for use outside the United States in a nation of the free world;

(2) in the case of any shipment of coal, shall not exceed the cost of shipping such coal by rail from the mine to the nearest seaport having available facilities for the loading of coal for export; and

(3) shall be made to the railroad transporting the coal.

(c) Subject to the limitations contained in this section, the Secretary of Commerce shall from time to time determine the terms and conditions under which payments will be made pursuant to this section.

(d) There are hereby authorized to be appropriated from time to time such sums, not to exceed \$25 million in the aggregate, as may be necessary to carry out the purposes of this act.

Mr. Speaker, I ask that the Members of the House read the details of this legislation which I have included as part of my remarks.

LEAVE OF ABSENCE

Mr. HAND. Mr. Speaker, I ask unanimous consent to be absent for an indefinite period for urgent personal reasons.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CALL OF THE HOUSE

Mr. BOW. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 81]

Bates	Fernandez	Moulder
Belcher	Fisher	Nelson
Bentley	Fogarty	O'Brien, Mich.
Case	Frazier	Powell
Celler	Hardy	Prouty
Cooley	Hart	Rabaut
Crosser	Hébert	Reed, Ill.
Cunningham	Hess	Rivers
Dawson, Ill.	Hoffman, Mich.	Shafer
Dingell	Kilday	Sikes
Dolliver	Lesinski	Sutton
Donovan	McVey	Thompson, Tex.
Durham	Machrowicz	Wigglesworth
Ellsworth	Meador	Wilson, Calif.

The SPEAKER. On this rollcall 372 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON WAYS AND MEANS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that the Ways and Means Committee may have until midnight tonight to file a report on the bill H. R. 5877, which is scheduled to be taken up on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROGRAM FOR BALANCE OF THE WEEK

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, I have been asked as to the order in which the measures contained in the whip notice will be called today. We propose to call first the bill from the Committee on Agriculture having to do with drought relief in the southwest and to follow that with the bill concerning the development of power at Niagara. I would anticipate that these actions probably will take all of the day.

Beyond that, Mr. Speaker, I wish to announce to the Members on our side that Saturday noon, in the caucus room in the Old House Office Building, the Republican Members of the House and the Senate will tender to the President and the Vice President of the United States a luncheon which, I might say, marks the first year after the nomination of those two gentlemen on our ticket. All of the Republican Members will receive an official invitation to the luncheon, but I thought it might be well to announce it at this time so that you can make your plans accordingly.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. RAYBURN. Some of our Members are interested in a very important bill called the firecracker bill. Does the gentleman think that is likely to come up this week?

Mr. HALLECK. Let me say in response to the question asked by the gentleman that the bill has been scheduled and it will be called. However, as I have suggested, we will probably be hard put today to finish the 2 bills that I have mentioned, and it is proposed we come in at possibly 10 o'clock tomorrow—at least by 11, but as of now I would say 10 a. m.—to deal with the matter of the extension of the excess-profits tax. I do not know how much time the Committee on Rules has granted. There was a request for 6 hours, but it looks as if that will consume all of the time tomorrow. Of course, by reason of these other arrangements that have been made respecting our side, there will be no Saturday session.

REFERENCE OF BILLS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of the bills H. R. 6117 and S. 2078 and that the bills be referred to the Committee on Government Operations.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDERS GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

Mr. LANE asked and was given permission to address the House for 10 minutes today, following any special orders heretofore entered.

DISASTER RELIEF

Mr. CHENOWETH. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 325 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, and all points of order against the bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Agriculture now in the bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. CHENOWETH. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. LYLE] and yield myself such time as I may require.

Mr. Speaker, this rule makes in order the consideration of H. R. 6054, a bill providing for additional emergency assistance to farmers and stockmen. The purpose of this legislation is to take care of a critical situation that exists in the southwestern section of the country, caused by a prolonged drought. The bill also provides for loans to livestock producers in every section of the country, who are in need of credit. This drought has lasted over a period of several years in certain areas. As a result many farmers and stockmen are in a distressed condition. The relief contemplated in this measure is desperately needed at this time in many sections of the Southwest.

Just recently the President of the United States under Public Law 875 of the 81st Congress designated certain counties in several States to be included in this disaster area. In this list there are 152 counties in the State of Texas, 40 counties in the State of Oklahoma, 77 counties in the State of Kansas, 7 counties in Colorado, and 26 counties in New Mexico.

Mr. Speaker, I want to make just a brief observation or two on this measure. This Congress has been very liberal in providing assistance and relief to foreign nations and to distressed people around the world. In helping others, we are prone to overlook the fact that our own people right here in the United States may occasionally be in need of assistance. Today we have the opportunity to do something for citizens of the United States, who, through no fault of their

own, find themselves in an economic situation where they require our help.

I want to commend the chairman of the House Committee on Agriculture, the gentleman from Kansas [Mr. HOPE] for his prompt action in bringing this bill to the floor. I also wish to commend my colleague, the gentleman from Colorado [Mr. HILL] who, as chairman of a special subcommittee dealing with livestock problems has rendered a most valuable service. This committee made a trip to the State of Texas just last week to personally inspect conditions in the drought area. I also feel that the Secretary of Agriculture, Mr. Benson, is entitled to much credit for his prompt action in moving to provide immediate relief to these stricken areas. The Secretary has been the subject of some criticism because he has not always seen eye to eye with certain groups on agricultural problems.

Here is an instance, Mr. Speaker, where the Secretary of Agriculture has earned and deserves the gratitude of a large number of citizens in the Southwest who appreciate what he is doing to help them and for the manner in which he has responded to their appeal. Mr. Benson made a trip to the State of Texas and personally inspected these drought areas. The counties in Colorado which are included in this disaster area are in my district, so I have personal knowledge of the conditions that exist. This is a most serious and distressing situation. These farmers and stockmen face economic difficulties that they cannot overcome except for the financial assistance contained in this legislation. So I am happy to see the Committee on Agriculture bring this bill to the House. Hearings were held on Monday, only 3 days ago, which gives you an idea of the prompt attention the committee has given to this legislation.

In addition to providing emergency relief for the disaster areas, this bill also contains another very important provision for the livestock industry: I refer to the section authorizing special livestock loans to established ranchers and stockmen anywhere in the United States who are temporarily unable to obtain the necessary credit to carry on their operations. We know that cattle prices have dropped very materially. This decline started something over a year ago, and has brought great distress to the cattle producers of this country. There has been an insistent demand for Congress to take some action to assist the cattle industry. Today the Congress by the passage of this bill, is taking action to relieve the distressed conditions among our cattlemen. In this legislation, Mr. Speaker, we are taking positive and affirmative action to provide credit for our livestock producers who are temporarily unable to obtain credit from their banks or other sources. Loans up to \$50,000 can be made on the recommendation of special committees which will be designated by the Secretary of Agriculture. Any loan above that amount must have the personal approval of the Secretary. These loans can be made for a period of 3 years, and may be renewed. I feel that the establishment of credit, as pro-

vided in this bill is the greatest stimulus we can give the livestock industry at this time.

Mr. Speaker, I am not going to go into details of this bill. I did want to make these brief comments so that I might impress on the House the importance of this legislation to the people of my section of the country, and particularly to those in the disaster area, as designated by the President.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. BROOKS of Louisiana. We have had some recent experience in reference to economic disaster loans regarding cattle. Are there any provisions in this measure which will guarantee that the smaller cattlemen will be cared for in their need? The criticism has reached me that in many instances the very large cattlemen have been considerably assisted, but that the little man was left out. I wonder if there is any special provision in this measure which will help the small cattlemen.

Mr. CHENOWETH. This provision will apply to all of those engaged in the livestock industry. It applies to everyone who can qualify as an established rancher or livestock producer.

Mr. BROOKS of Louisiana. You do not think the little man will be overlooked?

Mr. CHENOWETH. Absolutely not. I mentioned that loans may be made up to the amount of \$50,000, but over and above that amount they must have the approval of the Secretary of Agriculture.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. HAYS of Arkansas. I appreciate the gentleman's statement. The gentleman did not mention Arkansas. I believe the discussion will develop that Arkansas is included but it was impossible to designate the counties, but that information will be forthcoming.

Mr. CHENOWETH. I am happy to have the statement from the gentleman, I did not see Arkansas on this list, but I understand the original list will be revised, and additional counties in these States will be added as conditions warrant.

Mr. Speaker, this is an open rule providing for 1 hour of general debate to be equally divided between the chairman and the ranking minority member of the Committee on Agriculture.

The rule waives all points of order on the bill. I cannot conceive of any opposition either to the rule or the bill.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Illinois.

Mr. YATES. Is there a maximum on any individual loan that may be made under the bill? As I read the bill, loans above \$50,000 shall be approved by the Secretary. Does this mean that loans of one or two million can be approved by the Secretary?

Mr. CHENOWETH. I would say to the gentleman I do not believe any such loans are contemplated.

Mr. YATES. Are they possible under this bill?

Mr. CHENOWETH. It may be possible but not very probable. The purpose of the livestock loan provision is to help individual stockmen. I have the idea that most of the loans will be made to small ranchers and cattlemen. I cannot conceive of the committee recommending legislation which would provide for loans of that amount.

Mr. YATES. Why was not a ceiling placed in the bill?

Mr. CHENOWETH. I will have to leave that to the committee to answer. I am not familiar with the attitude of the committee on this question.

Mr. YATES. May I ask one further question?

Mr. CHENOWETH. Certainly.

Mr. YATES. Will the gentleman state whether a loan of \$1,000 is possible under this bill? As I read the bill, it provides for loans of \$2,500 or more.

Mr. CHENOWETH. I believe the Farmers' Home Administration can make loans in any amount. One section of the bill provides for economic disaster loans for all agricultural purposes. I am sure loans in any amount can be made by this agency, and that all groups will be taken care of. The Farmers' Home Administration will have full authority to make the small loans.

Mr. YATES. There is one other provision of the bill, on page 7, beginning in line 11, where it states:

The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster and may waive payment in whole or in part if in his judgment circumstances so require.

Are there any other bills, within the gentleman's knowledge, for disaster relief where payments of loans may be waived?

Mr. CHENOWETH. The gentleman is referring to the section which provides for emergency assistance in furnishing feed and seed. I think the committee very wisely included this provision that the Secretary may waive the payments under conditions which in his judgment he deems sufficient. I can see no objection to this provision.

Mr. YATES. Then this section is not applicable to the drought relief?

Mr. CHENOWETH. Not the special livestock loans that we were talking about. This waiver authority applies only to feed and seed loans. The purpose of this section is to make feed and seed available to distressed farmers who might otherwise be unable to obtain the same.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield further?

Mr. CHENOWETH. I yield.

Mr. BROOKS of Louisiana. I want to thank the gentleman for his courtesy in answering these questions and the zeal with which he advocates the approval of this measure.

On page 6, line 11, it is stated:

The loans shall bear interest at the rate of 5 percent per annum.

I am wondering if the money is being loaned by the United States and not the bankers. That is true; is it not?

Mr. CHENOWETH. Yes.

Mr. BROOKS of Louisiana. Would the gentleman feel that that interest rate should or should not exceed 5 percent or might be less than 5 percent?

Mr. CHENOWETH. The committee agreed that the rate should be 5 percent, I may say to the gentleman, and undoubtedly members of the committee will discuss this interest rate during general debate. I am not prepared to explain why the committee agreed upon this rate of 5 percent, but this matter will be fully discussed during the debate.

Mr. YATES. I wonder how the gentleman would feel if we should insert the words "not to exceed 5 percent"?

Mr. CHENOWETH. The bill will be open to amendment, if the gentleman cares to offer such an amendment. I would personally see no objection to such an amendment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. GROSS. Just the other day the House approved an interest rate of 3 percent for those who may owe the Government money in the purchase of Government-owned synthetic-rubber plants. Why should we today fix 5 percent as the interest rate for farmers and give the purchasers of rubber plants the much more favorable rate of 3 percent?

Mr. CHENOWETH. That is a matter which will be discussed fully in general debate by the members of the committee. I am sure it is the intention to make this money available at the lowest interest rate possible.

(Mr. CHENOWETH asked and was given permission to revise and extend his remarks.)

Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include a letter I addressed to the President of the United States, a letter addressed to the Secretary of Agriculture, a telegram addressed to Gov. Bill Donnelly, of Missouri, and a telegram from the Governor in reply to my telegram.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, I appreciate very much the gentleman from Colorado yielding to me at this point.

A few days ago, I wrote the President of the United States, the Secretary of Agriculture, and also sent a telegram to the Governor of Missouri concerning the disastrous drought in Southern Missouri, and particularly in my own congressional district. My letters to the President and to the Secretary of Agriculture, along with the telegram to Governor Donnelly as well as the Governor's telegram in reply to me follow:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., July 6, 1953.
The Honorable DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.

MY DEAR MR. PRESIDENT: Many of my constituents have written me concerning the drought and its serious effects in southwest Missouri.

Last year the drought ruined the crops, making it necessary for the farmers and stockmen to obtain private loans in order to feed their cattle and other livestock. Now they are faced with more critical devastation, their crops have not matured—but have just dried up; their notes are due at the bank; feed for their cattle is very high, and they have no money to purchase it; the price of cattle is very low. They are faced with utter ruin unless some assistance is given them.

In recent years southwest Missouri has developed into one of the leading dairying areas in the United States, and the area supplies many beef cattle to the markets. I have asked our Governor of Missouri to cooperate in urging that southwest Missouri be declared a disaster area, for the people need assistance and need it now.

I am asking Secretary of Agriculture Benson to furnish such information as may be required to confirm the information I am giving you. Only because I know how critical this situation is do I urge you to declare southwest Missouri a disaster area that assistance may be given these people under Public Law 875, 81st Congress, as amended.

With highest esteem, I am

Faithfully yours,

DEWEY SHORT,
Member of Congress.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., July 6, 1953.
The Honorable EZRA TAFT BENSON,
Secretary of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: Enclosed is a copy of a letter I am today writing the President concerning the effects of the drought in southwest Missouri. I am also enclosing a copy of telegram I am sending Hon. Phil M. Donnelly, Governor of Missouri, on this same subject.

Recently I have forwarded your Department a number of letters from my constituents giving me information concerning the devastation wrought in my district. I have also had reports by telephone and by people who have been in Washington from southwest Missouri—all confirming the fact that assistance is greatly needed.

If you have not already furnished a report to the President with regard to the critical situation and the need for southwest Missouri to be declared a disaster area, eligible for assistance under Public Law 875, 81st Congress, as amended. I shall appreciate it very much if this can be done at an early date.

With high esteem and kind personal regards, I am

Sincerely yours,

DEWEY SHORT,
Member of Congress.

COPY OF WIRE SENT TO GOVERNOR DONNELLY
WASHINGTON, D. C., July 6, 1953.
Hon. PHIL M. DONNELLY,
Governor of Missouri,
Jefferson City, Mo.:

Drought has seriously affected farmers in southwest Missouri. Many were able to en-

sure last year's losses by obtaining loans from private banks. Loans are due this year and drought is more critical. Many farmers face loss of entire investment in livestock and feed unless some assistance is given. Will appreciate your cooperation in urging the President to declare all of southwest Missouri a disaster area for Federal loans and assistance to be made available at once.

DEWEY SHORT,
Member of Congress.

COPY OF WIRE RECEIVED FROM GOVERNOR
DONNELLY

JEFFERSON CITY, Mo., July 7, 1953.
Hon. DEWEY SHORT, Member of Congress,
House Office Building,
Washington, D. C.:

The Missouri Emergency Drought Committee, which was appointed by me July 1 has completed a survey of drought conditions in this State and upon its recommendations I have today sent the following telegram to President Dwight D. Eisenhower.

Upon advice of Missouri Emergency Drought Committee which has surveyed current drought situation, I have today declared that the following 43 counties constitute a severe drought-stricken area, to wit: Barton, Jasper, Newton, McDonald, St. Clair, Cedar, Dade, Lawrence, Barry, Benton, Hickory, Polk, Greene, Christian, Stone, Morgan, Camden, Dallas, Laclede, Webster, Wright, Douglas, Taney, Ozark, Miller, Maries, Pulaski, Phelps, Texas, Dent, Shannon, Powell, Oregon, Iron, Reynolds, Carter, Ripley, Madison, Bollinger, Wayne, Butler, Stoddard, and Scott. Also, large portions of the following 15 counties constitute a drought-stricken area, to wit: Cass, Bates, Vernon, Johnson, Henry, Pettis, Howard, Cooper, Boone, Moniteau, Cole, Osage, Dunklin, Pemiscot, and New Madrid.

On behalf of Missouri agriculture, I urgently request that the above-named counties be designated as drought-disaster counties and be made eligible for Federal aid and assistance.

PHIL M. DONNELLY, Governor.

Mr. LYLE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, no good man can look upon the tragedy of the parched and devastated lands of the Southwest without sorrow. But as many before us have learned, nature, like man, is at times strangely cruel and unnatural. Prolonged drought has crippled our greatest natural resource, our soil. The agricultural economy of this area has been reduced to urgent need. If we are to maintain any semblance of an agricultural economy and its related fields, then we must have an immediate transfusion of credit.

We would have no right to be before this body if our disaster were purely a local situation or if it were isolated to individuals suffering as a result of bad economics. Unfortunately, Mr. Speaker, it is quite possible or even probable that our disaster may well draw down the entire economy of the Nation for hundreds and hundreds of millions of dollars that normally flow from our areas of the Southwest into the business channels of all of America will not be forthcoming, nor will we be able, even if we manage to exist, to buy the products of the cities and the manufacturing centers of this country.

The established lending agencies, both private and governmental, so far have failed to meet the urgent need of this great area which, let it be remembered, is not relegated to Texas nor to the cattle industry. Hundreds, perhaps thousands, of row-crop farmers face bankruptcy throughout the area.

It has been said that existing law and authority would permit all of the help that is contemplated under this measure. I do not and have not found it necessary to look into this for our need is great; it is urgent. We need credit, not tomorrow but yesterday. I believe it is conservative to say that this aid is several months overdue and much of the harm cannot be corrected by this legislation. Some of it can and will be.

The language of this bill is quite broad and assistance under its terms will rest squarely upon the Secretary of Agriculture. If his wisdom and action permit the Department to operate with flexibility, with urgency, and under broad and practicable regulations, then its possibilities are unlimited. On the other hand, if he approaches the problem from a narrow, restrictive, and legalistic standpoint, or a program which is aimed purely to aid a few cattle producers, then it will irritate rather than help smooth over our unfortunate situation.

Mr. Speaker, our local efforts and facilities are at the point of exhaustion. Our banks and our local lending agencies have exhausted their resources. They are limited under their trust and the laws of the land. Certainly the banks and lending institutions in my district have endeavored in every way to stave off the necessity which now faces us of asking aid from the Federal Government. We need not pity nor charity but credit. At the present we have no place to go except here. Certainly the Members of this House will respond to our urgent need.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I have two questions. The gentleman used the expression "transfusion of credit." Is that the same as relief, or another word for it?

Mr. LYLE. We have not asked for relief and relief is not possible under this bill. Credit only is possible under this bill.

Mr. SAYLOR. Recently I read a statement that was attributed to the Governor of the great State of Texas in which he said that all that Texas wanted was to be left alone, they did not want anything from the Federal Government. Has the State of Texas changed its position because of a little trick of nature?

Mr. LYLE. Is the gentleman asking me about the State of Texas or the Governor?

Mr. SAYLOR. I want to know about the State of Texas and the Governor.

Mr. LYLE. The State of Texas has always been a great and glorious State. It has shared its resources with the rest of the Nation and fortunately has not had to ask that the rest of the Nation

share its resources with Texas. And our people have not changed. They are a magnificent and an independent people. If you refuse this aid then by some way under God we will get along. No; our people have not changed. In the face of the disaster confronting our people the Governor of Texas has somewhat changed his position on Federal aid, but I have no responsibility for the formal statements of the Governor of Texas, his present statements or his future statements.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman recall a bill brought to the House floor by the gentleman from Pennsylvania [Mr. SAYLOR] only a day or two ago providing for an estimated \$2 billion in tax relief for the distilleries of Pennsylvania and elsewhere in the Nation?

Mr. LYLE. Yes; and I remember that you and I opposed the measure.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. LYLE. Mr. Speaker, I yield myself 1 additional minute.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Iowa.

Mr. JENSEN. Is there a limitation on the total amount of Government funds that may be lent under the provisions of this bill?

Mr. LYLE. No.

Mr. JENSEN. Why?

Mr. LYLE. Why is there no limitation?

Mr. JENSEN. Yes.

Mr. LYLE. There is no limitation for the reason that it is not possible at this time to anticipate the full amount that will be required to even moderately meet the urgent demand. The economic disaster resulting from drought threatens to spread throughout the Southwest, the West, and even the Midwest. Therefore it is not possible at this time to anticipate the total requirement. It will probably cost an extension of credit of as much as 150 to 200 millions.

Mr. JENSEN. I want the gentleman and the Members of the House to know that I am very much in favor of this bill, but I am a little disturbed over the fact that there is no dollar limitation. I feel that we should put a direct limitation on every single bill that is passed by the Congress. After all, we have an enormous deficit, we are running into the hole every day and certainly it appeals to me as reasonable that a limitation dollarwise should be put in this bill, a total limitation.

Mr. LYLE. Mr. Speaker, since our need at this time is credit, I would have preferred it if we could have passed a measure authorizing and directing the Federal Reserve System to extend the necessary credit through established private and public lending institutions. I think it would have been more practical, more helpful, more expeditious and certainly it would not have required additional appropriations.

The pending measure, however, appears to be our only hope at this time. In the interest of the entire Nation I urge its passage.

I am sure the Members of the House will want to read what I believe to be a splendid summary of the unhappy situation that exists in parts of my district. It was prepared for me as a public service by Mr. Giady Stiles, who is the farm and ranch editor of the Corpus Christi Caller-Times. The paper's editor, Mr. Robert Jackson, a distinguished newspaperman, was good enough to permit Mr. Stiles to do this. Mr. Stiles is not a man given to exaggeration. He is an able, conscientious, hard-working man. I am including in my remarks his summary:

Crop and rangelands in counties south of the Nueces River are in a deplorable condition as a result of the continued drought which has settled upon this area.

Thousands of acres of crops, burned and wilted, have been plowed under; pasturelands are parched and bare; and in some communities moisture was so completely absent that spring-planted seed never germinated.

In the Bishop, Luby Ranch, Concordia, Palo Alto, and Robstown communities, many farmers are facing as complete a crop failure as has ever been experienced in Nueces County. While Nueces County cotton farmers harvested 100,000 bales of cotton in 1952, estimates of this year's crop are less than 20,000 bales. At the same time, grain yields, normally more than 3,000 pounds per acre, were reduced to 400 and 500 pounds, if, indeed, a farmer harvested any grain at all. In many communities the grain crop never matured at all, and the crop was plowed under far ahead of the normal harvesting date. The same story applies to this year's flax crop. The yields in many cases were too small to justify harvesting, and the county average for flax was around 3 bushels per acre.

At the same time, dairymen and beef cattle producers are facing impossible conditions. Except in cases where spot showers were received, grazing crops such as hubam clover, oats, and sudan grass have failed; silage crops burned up; and native pastures offer no grazing at all. Both dairymen and beef producers have been forced to feed their herds high-priced commercial feeds and hay and have found it necessary to reduce their herds to the very minimum, keeping only foundation stock and high producing dairy animals.

The picture is duplicated in Kleberg, Jim Wells, Brooks, and Duval Counties. In Kleberg County, where more than 3,000 bales of cotton were ginned last year, this season's crop is not expected to exceed 500 or 600 bales. Cucumber and vegetable crops in the Vattman and Riviera communities of the county were complete failures; and this year's grain crop was less than 1 million pounds only a small fraction of the county's normal grain yield. This is the fourth year that some sections of Kleberg County have been hit by drought. The county's agricultural economy has practically reached the breaking point.

Brooks County farmers and ranchers are facing an untenable situation. This center of watermelon production was hit by a destructive hailstorm in early spring that wiped out half of the crop. This was followed by high winds and abnormally high temperatures that finished off what remained of the melon crop. Other crops, such as cotton and grain, suffered the same fate; and pasturelands, for want of rain, have become of no value for grazing. Prickly pear is furnishing about all the livestock feed

available locally, and in some instances the pear is too devoid of moisture to be usable.

In Jim Wells County, where some communities are in the fourth consecutive year of drought, crop and rangeland conditions are worse than they have been in the last half century. Flax yields were cut to an uneconomic level, grazing crops never matured, grain crops were a complete failure, and comparatively little cotton will be harvested in the county. Dairymen in Jim Wells, Brooks, Kleberg, and Duval Counties have been particularly hard hit by the drought.

Spot rains have relieved conditions in some communities of Duval County, but, by and large, this county is in very much the same condition as other counties in the area. This is especially true in the farming sections, where yields have been cut to levels ranging from complete failure to only a negligible proportion of normal harvest.

While farmers and ranchers have been taking a pounding from drought, they have, at the same time, been receiving reeling blows from price trends.

Thousands of acres of onions were plowed up in Nueces and Jim Wells Counties simply because there was no market for them. When flax harvest got under way, there was no commercial market; and practically every bushel of flax produced in South Texas was put in storage in the Government loan. The same was true in the case of grain sorghums. Prices for grain sorghum on the open market dropped to as much as 50 cents below the support price for this commodity, and producers have placed a large part of the crop in the Government loan. What has happened to cattle prices is well known. Cattlemen are receiving less than half of what they received a year ago on all classes of cattle; and, because of the drought, they are being forced to flood the market with cattle, thus depressing the market further.

The economic position of farmers in the Coastal Bend is probably as precarious as it has ever been at any time since the area became one of the State's leading agricultural areas. With farm income drastically reduced, both because of the drought and because of falling prices, the stress that farmers are feeling is spreading to Main Street. Farm equipment dealers, appliance dealers, and general merchandise stores, to say nothing of banks and cooperative lending agencies, are beginning to feel the effects of the decline in farm income.

Assistance to farmers, in the form of cheaper feed prices and direct loans, will be far-reaching and will affect every phase of the Coastal Bend's economy.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KING].

Mr. KING of Pennsylvania. Mr. Speaker, I am not exactly against this bill because I recognize it as a part and parcel of our unbounded charity to farmers. I grew up in this disaster area and most of my relatives still live within that area. I think it is an excellent place to be from and it would be good for a great many people if there were more people from there.

What really has created this thing? I want to explain really what we are doing here. We are rescuing a segment of the agricultural industry which grew up largely by Government stimulation. How is it that so many people got out there and what is the present situation? Actually, nobody has come forth with records to show that this drought condition is not in line with the history of

the weather of that territory over a period of the last 50 years. We have recurrences of this sort of situation, and all of the farmers who in the early days moved into this territory fully recognized that hazard and never expected more than 2 crops out of 5. But, in the last 10 years they have been especially fortunate out there in the amount of moisture that they have had, coupled with Government support prices. Production in this area has grown beyond any need of the country and grown beyond all justification, when normal weather circumstances out there are considered.

I just want to point out to you that here the Government is rescuing a segment of agriculture which has been over-stimulated by good luck in weather and by Government support prices, which made production very profitable. Is there any more sense in doing this than there is in rescuing the corner grocery or small retailer, which is also a segment of our society, that has been in a disastrous condition? Will you follow this logically by voting quick relief to the cucumber growers of Maryland whose crop has just recently been burned up? I just want you to understand that this is just a continuation of an unbounded attitude of charity that this Government has toward farmers. We have been guaranteeing profitable prices and now we are in the process of guaranteeing their weather.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman recalls that a couple of days ago this House gave relief to the distillers of Pennsylvania, does he not?

Mr. KING of Pennsylvania. I did not.

Mr. GROSS. If the name of the State of Texas was changed to Afghanistan or Timbuktu, we would rush to their aid with several million dollars, and perhaps a few billion, would we not?

Mr. KING of Pennsylvania. I am not denying the fact that this Congress is over generous to other interests. I am only pointing out to you that in this respect we are maintaining production which is not justified by any need in this country, and one of the most wasteful things that we can do is to keep in production acreage which is not needed. You know, the soil depletion in this country comes mainly through use, and there are thousands and thousands of acres in this disaster territory in production.

Mr. LYLE. Mr. Speaker, I yield 7 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, as my colleague from Texas pointed out, this is a major disaster to the State of Texas, and, I presume, to the other areas affected. I had an opportunity to visit this area a few days ago and I wish that every Member of Congress could inspect it.

There is, however, a point that was raised by the gentleman from Iowa and the gentleman from Pennsylvania that

I wish to discuss in connection with this, and that is the fact that every time something happens in our States immediately the Congress is called upon to provide aid. I deeply regret that my own State of Texas did not promptly assemble the legislature and make a bona fide attempt to meet this crisis.

I recognize that we have established a precedent to extent aid where disasters, floods, or acts of God beyond the control of the citizens have brought havoc and destruction to a community. I recognize, as you do, that we are compelled to extend this help in the form of credit. Yet at the same time I am convinced that we can never restore constitutional government in this country as long as the people clamor for aid from the Federal Government.

It all depends on whose ox is gored. When any segment of the population is affected, it is for Federal aid and Federal help, but in general terms they are opposed to bureaucratic and socialistic government.

I believe that what people can do for themselves no government ought to do for them. I believe that what the local government can do for the people the State government ought not to do, and what the State government can do the Federal Government should not undertake. I am frank to tell you that I think my own State of Texas, with its vast resources of oil and gas, should at least have assembled the legislature and set an example to the rest of the country that we are willing to do everything in our power to help ourselves, and that we are not going to beat a path to Washington day in and day out to get Federal funds. Our people have to come to understand that this Government is broke. It is infinitely worse off than the State of Texas. Texas is in good financial condition, but this Government has an indebtedness of \$268 billion. We are rapidly approaching the limit, and I am not going to vote to increase that limit except in case of war. I want that limit to stand. If we cannot live within our means, then we ought to find out.

Here is a government that is broke, and how else can you describe our condition? You know that we are financing this enormous expenditure by the most unsound and inflationary method that any government ever adopted. We are simply instructing the Federal Reserve System to monetize the national debt, the same principle as the issuance of greenbacks. There is nothing honest in it. All history demonstrates that ultimately it will lead to havoc and destruction to this country.

Here is a government literally broke, inflating and issuing credit money, yet nearly every locality and every State in the United States is constantly demanding that we be the ones to meet every emergency. What is to keep the legislatures of Texas and Kansas and all of these other States affected from assembling and making a bona fide effort to do something about this? Then when they come to Congress they will have a consistent position.

In my State I hear people clamoring for State rights. They applaud me when

I say I am opposed to the centralization of power in Washington. In general terms and in theory they subscribe to it. But when we come down to particularities, when it comes to someone else asking for aid we are against it, but the minute our farmers and our ranchers and our people get in distress we are down here just like the rest of you with our hands out asking for help.

I believe that this country cannot be preserved as a free republic until there is a vast change in the thinking of the people. I am not here to blame Congress. You are the representatives of the people, and the people get no better representation than they deserve. I have watched this House all my life and have come to the conclusion, that the average Representative will be just as good a Congressman as his constituents will permit him to be. Change has got to come in the hearts and minds and thinking of the people in our districts. They have got to recognize that the only way we can get money honestly is by taxing it or by borrowing it from the people who have it, and not from the Federal Reserve System—which does not have it. They are just simply printing greenback credit money, and we might as well turn the printing presses loose and issue money to repudiate our national debt.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. BUSBEY. I am sure the gentleman from Texas is well aware of the fact that the handouts from the Federal Government have increased from \$200 million 20 years ago to over \$3 billion each year today.

Mr. DIES. And our people are leaning more and more upon the Government. They look to Washington. It has become the mecca of literally millions of people. No matter what happens, they turn to Washington, and say, "Come help us out."

I shall support this measure, because there is no alternative and we have established a precedent for it and because the people are in dire need and their States have failed to act, but, I sincerely hope that the legislature of our State of Texas and the other States affected will meet and do something about this grave emergency.

Mr. CHENOWETH. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, the membership is congratulating the gentleman from Texas [Mr. DIES] whom we all admire for getting into the typical attitude. Before I proceed, Mr. Speaker, I will wait until I can have the attention of the gentleman from Massachusetts [Mr. McCORMACK] and the gentleman from Ohio [Mr. BROWN] who carry on the operations of the committee of which I am the figurative chairman. I want to call the attention of the Members of the House to the fact that I do not like this attack on our constituents. You see when they do not ask for something, as was so accurately pointed out by the gentleman from Texas [Mr. DIES] we turn to and of our ac-

cord and without any suggestion from our constituents vote a pension for the Comptroller General, who is getting \$17,500 a year. No doubt there will be more to follow.

Mr. LYLE. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, the old saying that it makes a lot of difference whose ox is gored does make a lot of sense to me, and it becomes rather amusing to me when I think it depends on whose administration is in power and which administration practices creeping socialism.

Mr. CHENOWETH. Mr. Speaker, I yield 6 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I admire the courage of my good friend, the gentleman from Texas. He really made a forceful and sound statement today. I hold no brief for either side of the House—no, not for either side. It would appear that the House thinks that Uncle Sam is a rich uncle whose taxes are inexhaustible and that you can continue to spend and spend and spend without eventually going into bankruptcy. The statutory debt limit is \$275 billion, and we are rapidly reaching that point where it will be necessary to increase the statutory debt limit.

We owe \$267 billion right now that eventually the American taxpayers must pay. It took a lot of courage for the gentleman from Texas [Mr. DIES], even though he said he is going to vote for the bill, to express his ideas. His ideas are sound.

It would appear that both sides of the aisle want to get from Uncle Sam about everything they can possibly extract from him, laboring under the idea that nobody has to pay the bill. That is where the fallacy is. We all have to pay the bill. The American taxpayer has to pay the bill, let no one tell you otherwise. We fool ourselves by thinking that we are getting something for nothing on hydroelectric projects, navigation projects, flood-control projects, land-reclamation projects, irrigation projects, and all of these projects that cost a lot of money.

The point that I am trying to make is that I make no exceptions on either side. When it comes to the TVA and the federally subsidized, tax-exempt, steam powerplants, when the appropriations bills are up, the South is all ready to stand behind that. Then my good friends from California and the great Northwest, Oregon and Washington, and the Dakotas have hydroelectric projects, with low rates of interest, tax-exempt, to produce cheap hydroelectric power, so when the appropriations bills come up they are behind the projects.

So those of us who are thinking along the lines expressed by the gentleman from Texas, MARTIN DIES, cannot do anything about it, because you have a setup that is just unbeatable.

Then, when you get into the agricultural programs, Commodity Credit Corporation and the subsidy programs, you have a splendid coalition on both sides. you have Kansas' wheat; Iowa's corn;

and Minnesota's and Wisconsin's butter, eggs, and cheese; Nebraska's wool; California's cotton; and from Texas and Alabama, Mississippi, and Louisiana, cotton; Georgia's peanuts and cotton; and from South Carolina, North Carolina, and Virginia, tobacco; so you are all in there together.

The SPEAKER. The time of the gentleman has expired.

Mr. CHENOWETH. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. GAVIN. So it is unbeatable. But the fallacy is in thinking that you are getting something for nothing. No matter who benefits, all the people pay the taxes to pay the bills for these programs and, eventually, remember, the American people will become aware of what is happening.

The question is whether Congress is going to come to sound, practical, realistic thinking, and stop some of this spending on these projects and programs and return to good, sound, commonsense, and get this country back on a sound basis.

It is all political expediency. Why kid ourselves about that? What it means is votes back home. You will not admit it but you all know it. You have not got the guts to stand up and fight for those principles that built a great America. Thirty or forty years ago the American people did not look for handouts and subsidies. They did not look for any help from the Government and Federal aid for every move that they made. It was unheard of and let me tell you they built a great nation. They built it soundly and they built it well, under a system of free enterprise and free economy. But today, you have all had your nose in the trough, and you like it, and you are kidding yourself because you think you are getting something for nothing. In reality, you are not. You are plunging this country deeper and deeper into debt, until ultimately we will face bankruptcy.

This great country of ours has given us what we have—freedom and the chance to make the most of our capabilities. The American system has opened the door of opportunity for everyone of us and our primary concern must be to see that that door does not close.

With the economic life of the world in today's chaotic and critical state, our situation here in America is a desperate one as we are challenged on all sides. We must keep this country on a sound financial basis; constantly on guard to keep this country a democracy and not degenerate into some sort of socialistic bureaucracy, which will eventually happen to us unless we get down to good, sound commonsense on all these spending programs.

So it is encouraging to me when the gentleman from Texas [Mr. DIES] has the courage to face the situation, although I have and there is a deep, sympathetic feeling on the part of the American people to help these cattle farmers in Texas. That is exactly what we should do for those who need and are entitled to our help.

But I would like some of the Texans to tell us about some of these cattle people.

You used to get along pretty well down in Texas. I never heard much about difficulties down there, except the boll weevil.

Other than cattlemen found out there was, or they thought there was, a lot of money to be made in cattle. So instead of the old regular cattlemen in the business, professional and other people, I understand, got into the cattle business. People who ordinarily would resent anybody going into competition with their business. They thought they had a good market, never anticipating overproduction or a depressed market or a drought, which has occurred, and now they find themselves, many of them, in desperate straits and are looking to Uncle Sam to give them some aid.

I want to help the small farmer and the men who have been in the cattle business all their lives; they deserve our consideration. But to move in and bail out those who had never been in the cattle business before—pure speculation and they found that it did not work out as anticipated—I do not feel they are deserving of our help any more than anybody else who speculates and the market goes out from under. They take their loss and that is the end of it.

I would like somebody from Texas to tell us about these people who never were in the cattle business before but who have gotten into the cattle business; maybe they are responsible, along with the drought, for a lot of the difficulties that you have down there now in the cattle business.

Mr. LONG. Mr. Speaker, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. LONG. I just wonder if the gentleman can tell me, since the Republicans have been in power for 6 months: Have you had enough?

Mr. GAVIN. Have we had enough? What a question. Why, we have not even got started yet. We cannot even get into the key positions to eliminate the element that has been in there for 20 years with a philosophy of government that is contrary to our American way of life. We have not even broken through the barrier as yet. You certainly do not think that after you have been dug in for 20 years that we can come back in a few weeks and clear the atmosphere. Until we get rid of those people with that philosophy of the New Deal and Fair Deal out of the key positions we cannot make much progress. But I think we are making progress. All I say is, let us get back to good, sound commonsense.

I am sympathetic to this bill here to help the cattle raisers of Texas because, from press reports, a separate situation exists and relief should be afforded to those who need assistance. When I think of the great glories of Texas and when I hear the Texans talk of their great State, I glory in it also. It is a great State. I think the gentleman from Texas [Mr. DIES] is right: If a Texas Legislature got together, they would have been able to work out and solve the problem. They would have solved it with pride, too, because you know a Texan—well, the eyes of Texas are upon

you; and when you hear them sing that song there is a spirit, an inborn traditional characteristic about a Texan that makes him distinctly individual. They are great people. I think the gentleman from Texas was right; had the Legislature of Texas taken this matter up, I doubt very much if they would ever come to Washington seeking any Federal aid. I will be glad to yield to the gentleman from Texas.

Mr. DIES. Here is the thing, the State did not meet the issue, and since they did not, we are compelled to ask for Federal aid.

Mr. GAVIN. That may be; I do not know, but you have a Democratic administration in Texas.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. GROSS. Before the gentleman leaves the floor would he tell us something about the subsidized steel industry of Pennsylvania?

Mr. GAVIN. I do not know of any subsidies to the steel industry of Pennsylvania. I do know that during World War I, World War II, and the Korean war they turned in a magnificent performance. I can say to the gentleman from Iowa that it is a good thing that we had the steel industry of Pennsylvania to contribute to the great victories to bring peace and stability to a troubled world. We are all proud of the magnificent performance the steel industry of Pennsylvania turned in.

Mr. LYLE. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Speaker, I enjoyed the sermons of the gentleman from Texas [Mr. DIES] and the gentleman from Pennsylvania [Mr. GAVIN], who preceded me. They remind me of a story about a revival meeting in a country area where I used to live. The preacher was preaching against sin. All the windows and doors of the little country church were open on this hot summer night when in walked the Devil. The worshippers began rushing out the doors and jumping out the windows; all escaped except one elderly woman who was crippled with arthritis or rheumatism. She, too, was doing the best she could to get out of reach of old Satan's clutches. She found herself in a tight place. The Devil moved closer and closer to her and was just about to get her when she threw up her hands and said, "Now hold on, Mr. Satan—just wait a minute. You just stand right where you are, and let me do a little explaining. I have been coming to this church for 30 years, I have listened to long sermons, I have been a member of the Ladies' Aid Society, I have been doing missionary work, I have donated money, and I have attended all the meetings, but, confidentially, I have been on your side all the time."

I wish to reply to the gentleman from Pennsylvania [Mr. KING]. He said that he used to live in the Southwestern drought area and that he was glad he left and went to Pennsylvania. He also said the Southwest was a good place "to be from." In reply to him I should like to quote what a friend of mine said about a

fellow who had left the Southwest and had gone to Pennsylvania who made a remark similar to the one made by the gentleman from Pennsylvania [Mr. KING]. He said that when he left the Southwest and went to Pennsylvania, it improved the standing of both States.

This request for loans in the drought-stricken areas is being presented by the President of the United States who hails from Kansas and Texas, a part of the great Southwest. I hail from Oklahoma, another great Southwestern State. Several weeks ago before parts of Oklahoma and Texas had been declared a disaster area, I made the following recommendations of steps that must be taken. Loans should be made on other crops such as cotton, wheat, grain-sorghum, and alfalfa, because this area has suffered for the last 14 to 36 months from a prolonged and serious drought. The Government should buy cattle on the hoof, directly from the farms and ranches, at 15.3 cents per pound—or 90 percent of parity. The farmers also need a loan program that will permit them to keep their thoroughbred cattle and livestock for foundation herds. Three-fourths of our cattle have already been sold off our farms and ranches.

All available unused space on military reservations, fish and wildlife preserves, and national parks, should be opened up to graze the cattle of drought-stricken areas of Texas, Oklahoma, New Mexico, Kansas, Colorado, Arkansas, and nearby States. Freight rates on feed—including hay; corn; cottonseed meal, cake, pellets; and soybean protein feeds—to the stricken area should be lowered and paid by the Government. The farmers also need assistance in paying the railroad or truck freight so that cattle can be moved into adequate pastures in other States, to save foundation herds.

Pastures will not be normal or adequate until April of next year. We must have assurance that the program will continue through then and until the fall of 1954. Funds for well drilling and stock ponds should be advanced to the farmers. Surplus canned beef should be made available to the aged, needy, and for certain foreign countries. Furthermore, we need to dispose of more canned meat through the school-lunch program. Larger amounts of beef on the hoof should be purchased immediately by the Secretary of Defense for the Armed Forces and placed in cold storage.

Low-grade grain, such as sorghums, corn, wheat, and feed proteins which are now in storage should be furnished the farmers of the drought-stricken areas at low rates. The Farmers' Home Administration funds should be greatly increased so that adequate loans would be readily available to provide additional feed and seed loans and operating loans. Initial loans of \$7,000 to a maximum of \$10,000 for a period of 5 years at 3 percent interest could them be made available.

Forty Oklahoma counties, including all 23 counties constituting my district, were included in the drought area; however, all of Oklahoma should be included. Congress should allocate additional disaster relief funds to the President. He

had approximately \$18.4 million a few days ago. He has previously agreed to use \$8 million for this drought-stricken area. A great deal more assistance will be needed.

Blackstrap molasses should be purchased in Cuba, Puerto Rico, and other islands of the Caribbean and sent to the affected areas.

Our thinking as to cattle population limitation should be changed. It has been based on the unrealistic approach of the Bureau of Agricultural Economics, which shows cattle by numbers only. Several things have happened—the cattle have not only been shifted from the range and farming areas into the feed lots and slaughter pens, but have decreased in weight, grade, and price tremendously.

If these suggestions are promptly carried out, then cattle prices on the hoof will rise immediately and stabilize by this fall. By next fall we will begin to feel the effects of this drought and will be faced with a serious shortage of beef next year.

The Government should loosen up its tight credit policy from the Federal Reserve banks right on down the line. Congress should change the Internal Revenue Code to permit farmers to adjust their income over a 5-year period.

Before Congress adjourns we should study this situation and pass additional laws necessary to enable the Department of Agriculture, the Office of Civilian Defense, and the President to meet any disastrous conditions during the adjournment. The cattle situation affects each of us. The national income is always seven times that of the farmer—always has been and always will be. When the farmer's or the rancher's income is off—so is the national income.

Congress should listen to the advice of the little rancher and farmer instead of the voice of the "cliff dwellers and windshield farmers" in Chicago, Omaha, Kansas City, and New York, as we call them out West.

The Oklahoma delegation held a meeting with the Secretary of Agriculture, Mr. Benson; Mr. True D. Morse, Under Secretary; and Bob Farrington, Assistant Secretary, Thursday, July 2, and discussed cattle, credit, and other matters affecting farmers and ranchers and the cattle industry in general, at which time we urged immediate action.

Mr. KING of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Pennsylvania.

Mr. KING of Pennsylvania. First, does the gentleman think that the country needs to preserve all the cattle that now exists in the country?

Mr. WICKERSHAM. I wish to say that the BAE figures are unrealistic because they give the number of cattle only; they do not give the weight, grade, or the value. I may say to the gentleman from Pennsylvania that by next year there will be a shortage. This program is not just for the producers; it is for the consumers because they are the ones that need to be assured of an adequate supply of cattle. A short time

ago there were price controls on all kinds of meats and limitations on the purchase of beef and there was supposedly a shortage.

Mr. KING of Pennsylvania. If the gentleman knew that, he would be a good speculator.

Mr. WICKERSHAM. I am not a speculator, but I have had many years' farming experience, and I have served 10 years in Congress, of which I served 6 years on the Agriculture Committee.

Mr. KING of Pennsylvania. I have another question: Has the gentleman seen in connection with this bill any actual data which indicates that the drought condition in Oklahoma now is any worse than it has been recurrently about every 10 years over a period of the last 50 years?

Mr. WICKERSHAM. It is usually about every 20 years. An old Republican farmer friend down there in Oklahoma told me that every time the Republicans came into power we had a terrific depression and drought.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. LYLE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I think we ought to clear up the RECORD here in the midst of this comedy as we discuss a very sorrowful and tragic situation and say that this bill was presented not by Texans, not by Democrats, but by the Secretary of Agriculture at the request of the President of the United States. It was introduced by one of the most distinguished men in America, the gentleman from Kansas [Mr. HOPE]. It has been supported by all members of the Committee on Agriculture. It is not a gift to bail somebody out. It is not a pleasant thing to talk about. This is not a place to have comedy over it. This is not the place to discuss the economic policies of the country.

Do you want to help your fellow citizens who are suffering because of an unnatural condition of nature, or do you want to make this a farce? If you do, then you have not the kind of spirit that warrants your being rightly in the Congress of the United States.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Kentucky.

Mr. CHELF. May I say to the gentleman that we differed the other day, but I want to let him know that I am very much in sympathy with his program. We suffered a terrific drought in Kentucky last year. As I understand this bill, it is not a gift, it is not a handout; it is a loan and I am for you.

Mr. LYLE. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. MILLER].

Mr. MILLER of Kansas. Mr. Speaker, I notice that the State of Kansas is supposed to have 77 counties listed in this drought area that are seeking relief. I do not happen to have any of those counties in my district, so I am not speaking from a selfish standpoint nor indirectly to my constituents. However, there have been a number of statements made here today that I seriously question. If

these statements are correct, if all the things that some of these gentlemen seem to stand for are correct, we should have 2 candidates for the Presidency here—1 on the Republican side and 1 on the Democratic side, and I do not need to tell you who they are.

Now, I know something about this drought area. While I do not live in it, I have traveled through it. I have gone by train and by automobile and by airplane over this area while this drought is going on, and I know that these people, through no fault of their own, are in a serious financial condition. I think that they are deserving of the consideration of the rest of the American people just as much as the people who have liquor in bond, if you please.

But, there is one thing that I wanted to call to your attention. There is one statement that was made here that I want to seriously challenge. It has been stated here that this Nation is bankrupt. I challenge that statement. This Nation is not bankrupt. Here is a piece of paper on which is stamped "One Dollar," and that is good anywhere in this world. There is no piece of paper that is better for what it states on its face than that piece of paper. That answers definitely whether or not this Nation is bankrupt. Suppose we have an indebtedness of \$265 billion. I will admit it is a great indebtedness, but our income is \$300 billion and is increasing. If I, as a private individual, owe \$10,000 and my annual income is \$10,000 or \$12,000, I ask you, Am I bankrupt? No. Any good banker in this country will lend me money on my own responsibility.

Mr. Speaker, I am in favor of the passage of this bill.

(Mr. MILLER of Kansas asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Speaker, I am going to support this bill because I think it is a constructive attempt to meet a problem head-on. I think that is the best way to do it rather than wait around until it is too late. This situation has been going on, as some of the gentlemen have said, for a number of months; in fact, over a period of years in some parts of this area, and unless we take some kind of action right now it will soon be too late, because once these herds are depleted by starvation, it takes years to replace them. Once these farmers and ranchers are bankrupt, they are no longer part of the productive economy.

I am inclined to agree that perhaps if the State of Texas and the administration down there had made some effort to help themselves, that there might be more desire to come to their aid here, but on the other hand, in spite of some of the things you might hear from time to time, Texas is a part of the United States, and we are responsible to see that it does not become an outright disaster area for years to come.

There is just one thing I would like to correct, and that was in the speech made by the gentleman from Pennsylvania. I do not like him attributing the ad-

ministration in Texas to the Democrats because, as I understand, the Governor down there is not a Democrat; at least, he did not support the Democratic ticket in the last election. So, you just take him, if you want him, as far as I am concerned, or if you do not want him, why let us turn him over to the gentleman from Texas [Mr. DIES] and let Mr. DIES defeat him for governor, and that will suit me all right.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I would certainly be glad to take him. He is a great American and has turned in a magnificent performance which has won the respect and admiration of the American people. Certainly I would be glad to take him.

Mr. HAYS of Ohio. All right, you take him, and when you revise your speech, why you correct your remarks in there where you are blaming him for not doing anything, saying he is a Democrat. You label him as a Republican so no one will be confused.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Illinois.

Mr. MASON. Would the gentleman be willing to give us all of the Members of this House that also supported Ike in the campaign, no matter whether they come from the South or not? We would be glad to have them, because they are the real Americans.

Mr. HAYS of Ohio. I will say to the gentleman that, on that basis, I expect you will have to take me along with them, because I was looking at the RECORD yesterday and on nine key votes I supported him seven times, which on those same issues is somewhat better than twice as good as the record of the gentleman from Illinois [Mr. MASON] in supporting the President.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. POAGE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. IKARD].

Mr. IKARD. Mr. Speaker, I have been somewhat amazed this morning at the turn this discussion has taken. We have all enjoyed the facetious remarks and the levity we have experienced here, but this is, indeed, a very serious situation. Many of you probably do not realize how bad it is.

Those of you who have been fortunate enough not to experience a drought or to live in a drought area cannot really know that it can be as spectacular as a tornado, as disastrous as a flood, and as devastating as anything that nature can concoct.

It might be well to explain that this is not exclusively a Texas drought. It is one which affects materially New Mexico, Colorado, Arkansas, Oklahoma, and Texas. The economy there is failing fast on account of this drought. It is now in its last gasp. If anything is to be done to salvage our economy, it has to be done now. In fact, I am afraid we are too late. If that great segment of our economy fails, then the rest of our

economy will go down with it. It may be 6 months, it may be 12 months, but just as sure as we are here today, if the agriculture and the livestock industry of the Southwest goes bankrupt, the automobile manufacturers in Detroit, the appliance manufacturers over the country, the coal people and the clothing manufacturers, everybody else will feel it, and it will be a terrific blow.

Mr. GOLDEN. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield to the gentleman from Kentucky.

Mr. GOLDEN. Is it not a fact that the drought situation in these 6 or 7 States causes millions of cattle to be dumped on the market, that it has adversely affected livestock markets throughout the United States, and that it is a matter that addresses itself to the whole economy of this country?

Mr. IKARD. The gentleman is absolutely correct. The runs of cattle in the Southwest have depressed markets in Virginia and Baltimore and all through the East just as much as they have those in Fort Worth and Kansas City. They also affect the markets in Omaha, St. Louis, and Chicago.

Mr. KING of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. KING of Pennsylvania. Speaking in the interest of the livestock producers, after having listened to their pleas the last year, does not the gentleman think it would be a good thing for their future if about 5 million head of cattle were to be slaughtered? Even though it temporarily depresses the market, would it not put cattle producers in a much better position for the future?

Mr. IKARD. I could not subscribe in any way to a program that would bring about the useless destruction of 5 million head of livestock in this country; no.

Mr. KING of Pennsylvania. The gentleman does not believe in the law of supply and demand as a real regulator of price?

Mr. IKARD. I believe in the law of supply and demand, but I do not believe in willfully letting cattle or people or anything else starve to death.

Mr. KING of Pennsylvania. Does the gentleman know that the Government aid in the development of this territory was one of the things that upset the law of supply and demand and caused the present depressed market?

Mr. IKARD. I believe I heard the gentleman express himself as to the soil conservation program, too, that the best type of soil-conservation program was to let the farmers go broke and let the farms grow up in weeds.

Mr. KING of Pennsylvania. Does the gentleman know a more effective method of conserving soil?

Mr. CHENOWETH. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

INCLUSION OF ESCAPE CLAUSES IN EXISTING TRADE AGREEMENTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 205)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

Pursuant to the provisions of subsection (b) of section 6 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong.), I hereby submit to the Congress a report on the inclusion of escape clauses in existing trade agreements.

This detailed report was prepared for me by the Interdepartmental Committee on Trade Agreements.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, July 9, 1953.

(Enclosure: Report on trade agreement escape clauses.)

REPORT ON TRADE AGREEMENT ESCAPE CLAUSES (PURSUANT TO THE PROVISIONS OF SEC. 6 (B) OF THE TRADE AGREEMENTS EXTENSION ACT OF 1951)

Section 6 of the Trade Agreements Extension Act of 1951 reads as follows:

"(a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

"(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended, into conformity with the policy established in subsection (a) of this section.

"On or before January 10, 1952, and every 6 months thereafter, the President shall report to the Congress on the action taken by him under this subsection."

The reports of July 10, 1952, and January 10, 1953, referred to discussions then in progress between the Government of the United States and the Government of Ecuador with regard to the existing trade agreement, including the possibility of inserting an escape clause in the agreement. In 1952 the Government of Ecuador was informed that it would be necessary to amend the trade agreement to include an escape clause. The discussions with Ecuador are continuing.

The Trade Agreements Committee believes it is still not practicable, for the reasons given in the report on escape clauses of July 10, 1952, to approach the Governments of El Salvador, Guatemala, and Honduras with respect to the insertion of the escape clause in the trade agreements with those countries. These reasons as stated in the report of July 10, 1952, are:

"Many of the products on which the United States granted concessions in these agreements are on the free list, and none of them is likely to be produced in the United States in commercial quantities. The dutiable products on which concessions were granted by the United States are largely

tropical products, imports of most of which result in no, or negligible, competition with United States producers, whereas a relatively high proportion of the concessions granted by the other countries are on products which compete with their domestic production. Furthermore, the Trade Agreements Committee was convinced that an attempt to secure the escape clause at this time would probably lead to the renegotiation of the agreements with these countries and result in a less satisfactory situation than now exists.

"Finally, it should be pointed out that all of these three agreements are already subject to unilateral termination, by the United States, on 6 months' notice, pursuant to the requirements of the Trade Agreements Act."

DISASTER RELIEF

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Kansas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6054, with Mr. ARENDS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HOPE. Mr. Chairman, I yield 13 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, as chairman of the Subcommittee on Livestock, our committee slipped out of town—accompanied by five other members of the Committee on Agriculture—last Thursday evening. By the use of the airplane service, we were able to be in this drought territory late that night. Early Friday morning we flew over the west part of Texas, down to the Mexican border. We did not have time to get into Oklahoma, New Mexico, Arizona, Colorado, or Kansas. As an aside, let me say to the membership this afternoon, I was sorry, very sorry, indeed, to hear someone say that this was for Texas. Why, my friends, this is for the southwest part of the United States of America which is experiencing the worst drought in 75 to 100 years, and the question arises in my mind whether this drought is not increasing rather than decreasing.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. ALBERT. This bill is for cattlemen who are in economic distress anywhere in the United States.

Mr. HILL. Of course it is; that was the next step.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. WHITTEN. I wanted to raise the same point—while the report says that this is the area which is designated as a disaster area under the provisions of the bill itself, it is general in nature

and would apply to any other area when the President might so designate such areas.

Mr. HILL. I will say to my good friend, the gentleman from Mississippi, that already this trip has paid its way for the cattle producers of these United States. All you have to do is to look at the market yesterday and the day before. We cannot let a certain section of this nation of ours suffer catastrophe and disaster without a direct effect on every segment of our economic life. That is how closely we are knit together. So in flying over this section we flew for about 4 hours at a height where we could see the ground. I admit I know something about dry weather, having lived in a dry area for more than 8 years. I know a drought when I see it. I frankly confess to you that it was much worse than I had anticipated.

I made a short talk the other day and placed it in the RECORD, stating exactly what I experienced. It is even worse, in my opinion, than any type of flood, because of the fact that there is no way of knowing when the drought will be over.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. JONAS of Illinois. I am sure the gentleman recalls that only a year ago or 2 years ago, when there was a great furor about a wheat famine in Yugoslavia, and we appropriated millions of dollars.

Mr. HILL. Yes.

Mr. JONAS of Illinois. We were exercised and worried about poor Yugoslavia who did not have any wheat. Now we are spending a lot of time and debate on a fundamental question that should be dear to the heart of every American.

Mr. HILL. Yes. I am sorry that anyone mentioned the idea that this is a gift. This is the first time since my service in the House that we have tried to plan our definite basic legislation for disaster. Is it not about time that we thought about disaster at home? Here was a flood on the Missouri River, in the Mississippi Basin last year. I remember flying down that river. I am sure no one found any fault with the assistance we gave to those farmers. They are willing to pay that money back, every cent of it, with interest. We should not expect a little area some 20 or 30 miles on either side of that river to assume all the debt. By helping them we help every part of this country. It is much easier to solve that sort of disaster than one in an area with a diameter of 500 miles. If the State of Arizona is included in this, and all the southeast, and northeast part of the State of New Mexico, one-third of the eastern part of Colorado, I think it is more than 500 miles. This is not a disaster affecting the State of Texas. This is not a disaster affecting the State of Oklahoma, it affects all the Southwest. It helps our entire economy. It helps the corn grower, it helps the hay grower, it helps every segment of our population in every community in this United States.

The bill does not do anything out of the ordinary and has nothing to do with giving away funds. It simply says we

shall set up in this bill first a general livestock loaning proposition for disaster areas, also economic disaster loans, special livestock loans, and disaster feed and seed loans.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. Certainly, I yield.

Mr. WHITTEN. The gentleman's answer was not responsive a moment ago, at least in my judgment, to the question I was raising. While the area that has been described as a disaster area now is the area the gentleman has described, the bill itself is general in its nature, and would authorize the same type of relief in any other section of the United States that might be so designated later by the President?

Mr. HILL. Exactly. I thought I made it plain.

We could use this legislation should you have such a flood as happened in Galveston, Tex., several years ago. Why should not we pass basic legislation for disaster areas? Here we attempt to set up this basic program. It happens that it applies primarily to cattle, but it is basic legislation for any type of agriculture disaster.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. KING of Pennsylvania. I understand the Government needs to make available for this program something like \$150 million, to be loaned largely to individual farmers, with occasional association loans. If \$150 million is to be put into this territory without security, what percentage of it do you think the Government will lose?

Mr. HILL. I have no way of answering that question, but I can say to the gentleman frankly that the record will show that in these disaster loan areas, if you give these farmers a sufficient length of time—and stockmen too—to pay back their loans, that the real losses would be negligible.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HOPE. For the information of the gentleman from Pennsylvania I would like to call attention to the fact that under the original program of the regional Agricultural Credit Corporation beginning back in 1932 a total amount of \$550,102,000 was loaned. The repayments on these loans which were made largely on livestock although they embraced other agricultural purposes—were \$546,711,000 or 99.36 percent. These special livestock loans included in the bill are very similar, in fact, almost identical with the loans that were made at that time. The record of collection on those loans speaks for itself and there is no reason to believe the result will be any different this time.

Mr. HILL. And you have in addition to that the fact that these loans made to livestock growers or farmers in distress will be made by organizations already in existence, that is, the Farmers' Loan Administration that already has the organization set up practically in every county and we will not be bur-

dened with a great overhead expense in handling these loans.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that no loan will be made to those ranchers and farmers who are able to get other credit?

Mr. HILL. Of course; that is basic in the legislation.

Mr. COLE of Missouri. If the gentleman will yield, I do not see why we should concern ourselves with the possibility of the repayment of these loans, inasmuch as we have seen fit to give away billions of dollars overseas with no hope of repayment. It is high time that we concern ourselves with the welfare of our own people for a change. This is an American bill. I am for it and I am not worried about repayment of any loan made after it becomes law.

Mr. HILL. The gentleman lives close to the Missouri River and he knows what a tragic element it is to come into the life of farm people to have their farms completely inundated with water; and he knows the task it is to recoup the losses by oneself and without outside assistance.

Mr. COLE of Missouri. The gentleman is quite right, and we have had disastrous floods repeatedly.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield briefly.

Mr. BELCHER. In addition to that, have we not bailed out industry through the Reconstruction Finance Corporation, and homeowners through the Home Owners' Loan Corporation, and people in all walks of life? This is not legislation to bail out bankers or creditors; the loans will be made only to people who have a reasonable chance of extricating themselves from the dilemma in which they find themselves.

Mr. HILL. And one of the points of this legislation is that where the banks are already financing the farmer they will have to make an agreement—that is in the report—that they will let this farmer or stockman continue on in order to come out at the end and pay off the bills he owes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. GROSS. Does the gentleman think that India will pay back the \$100-million loan?

Mr. HILL. If I want to sleep at night, I do not dare think about that.

This bill would provide a supplemental source of credit for farmers in the disaster areas. It would set up special credit machinery for livestock operators, whether in the disaster areas or not. It would make it easier to administer programs for supplying feed and seed and for giving other assistance in the States and counties declared by the President to be suffering from major disaster. So this legislation is nationwide.

Another thing, the loans and expenditures for which this bill, H. R. 6054, provides would be made from a revolving fund, just centering in one fund the financing of such disaster operations in

the Agriculture Department. In other words, this revolving fund would be set up in a way so that as these loans were paid back into the revolving fund then we would have funds with which to meet other disasters; and you know we are always having disasters. I could not help but think awhile ago, when they were talking about Texas and what should be done, that the worst thing that could ever happen to this Nation would be for the rest of the country to tell Texas or any other State that had a disaster that she had to meet it entirely by herself. The States belong to the United States of America, and when California is in trouble, or any other State, it is just as much a problem of the folks on the eastern shore of the United States or any other part. We rise, we progress, we make economic advance not as one State or one community but as an integrated union.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. As long as the Government can borrow at 2½ or 3 percent and lend it out at 5 percent, with a 99-percent chance of getting it back, is it not altogether likely that the Government will make money out of this transaction?

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ROGERS].

(Mr. ROGERS of Texas asked and was given permission to revise and extend his remarks.)

Mr. ROGERS of Texas. Mr. Chairman, much has been said on the floor this morning in the debate on the rule and in certain of the remarks made in the beginning of the debate on the bill concerning cattlemen. There is one thing I want to call to the attention of the Members of this House and that is that the pending bill is not confined to cattlemen. A drought does not single out a man in the cattle business and bring damage on him alone. There are many small tenant farmers, small land owners, small dry land cotton farmers involved in this drought situation.

This bill is not a subsidy. It is a credit bill designed to give assistance to people in those areas that have been affected by the drought. I know there has been a lot said by many people from the cattle country that they do not need help and they do not want help; but those people were talking for themselves and not for all the people involved in this particular situation.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The cattlemen said they did not need help in anything like normal conditions. They would not need help. There is not any group in America that has asked less of the Government than has the cattle industry.

Mr. ROGERS of Texas. That is right. They did not say they did not need help;

they said they did not want help. Certainly they did not want help and they did not want to be in the position where they needed help and if it had not been for this disaster they would not be in the position where they would have asked for some assistance.

There are many things involved besides the credit provided by this bill that is going to be necessary to save the economy of this great segment of America. Public Law 875, which is the President's emergency fund, has already been brought into operation. I do not think enough funds have been provided under it to meet the need, however, I do think that President Eisenhower will come forward with more funds to meet the emergency needs that are present today.

This bill is an amendment to Public Law 38 of the 81st Congress. Wide discretionary authority was vested in the Secretary of Agriculture under Public Law 38. Now, I should like to ask the chairman of the Committee on Agriculture, the author of the present bill, a question at this time. As I understand it, and as I read it, this bill is an amendment to section 2 (a) of Public Law 38 of the 81st Congress?

Mr. HOPE. That is correct.

Mr. ROGERS of Texas. If the chairman of that committee will permit, I have one other question on the subject. Is it anticipated that this will take the place of subsection (a) (2) or is it supplementary to the discretionary powers now vested in the Secretary of Agriculture under that law?

Mr. HOPE. It is supplemental legislation, some of which is applicable only to areas which have been declared to be disaster areas under Public Law 875 of the 81st Congress. In addition to that, there are the provisions of section 2 (c) which are in effect for 2 years and which provide for special livestock loans. But this act does not in any way impair Public Law 38. It simply states that where certain situations or circumstances exist there shall be authority to make these new kinds of loans.

Mr. ROGERS of Texas. And is it not primarily designed to afford speed in getting the money to these people who are stricken in these drought areas much quicker than they have been able to get it through the local banks, through the cooperative lending agencies, or through the Farmers' Home Administration?

Mr. HOPE. That is true. That is one of the prime purposes of the legislation.

Mr. ROGERS of Texas. To go on for 1 minute; with the credit needs that are present in the drought area, I call this to your attention: Most of the moneys that have been borrowed by these farmers and these ranchers in the past that have been hit in these areas have been paid back. Most of the loans that have been made are good loans because they are made to good, sound Americans who live in Texas.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. ALBERT].

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, I join with my colleagues on the committee, or most of them, at least, in supporting this legislation. I think briefly we should summarize the features of the bill and say it contains 3 principal parts, 1 of which deals with credit for agricultural purposes in any major disaster area so declared by the President; another provides feed and seed and other assistance in disaster areas; and the third sets up a system of supplemental credit for stock producers anywhere in the United States whose ability to get financing has been impaired by reason of economic or natural disasters.

There is no question about the need for additional credit. Mr. Chairman, the banks, the production credit associations, the Farmers' Home Administration, individual lenders, and all others engaged in the agricultural credit business in the drought-stricken areas in this country have stretched their credit to the limit. Supplemental credit to farmers and stockmen with good records is indispensable, or the entire economy of these affected areas will collapse together and, of course, as has been pointed out, if the cattle economy of this country collapses, the entire economy of the country will certainly be adversely affected at the same time.

Mr. Chairman, my principal concern here is whether we are going far enough in striking at the disastrous situation which confronts the cattle producer. I have heard from hundreds of my constituents on this question, and they uniformly agree that unless the Government takes direct, immediate, and substantial action to effect a material increase in the price of cattle, supplemental credit and additional feed will be useless. It will do no good to lend money to cattle growers if the cattle they produce will not pay out on the market.

In that connection, and with your indulgence, I would like to quote from a letter from a constituent of mine, Mr. William G. Davisson, of Ardmore, Okla., an attorney, who represents 22,000 cattle producers, a cattle producer himself, a very conservative individual, who conservatively states the position of the cattleman as follows:

The price of grain and other products has been underwritten by the Government, which means that there has been little decline in the price of cattlefeed and no matter how low the price of cattle may drop, the cattleman is still forced to pay very high prices for his feed. Drought conditions throughout the Southwest have even forced the price of hay so high that the average ranchman cannot afford to buy it and feed it.

Further quoting:

If the price of the things which the cattleman must buy are upheld by the Government, then frankly I see no other way if the cattleman is to subsist than to grant to him the same supports.

I represent one group of approximately 22,000 producers of livestock and I also represent many individual ranchmen and I am extensively engaged in the livestock business myself, and it is my candid judgment that unless relief in the way of an advance in

prices comes to the cattlemen before they are forced to market their cattle in the fall, approximately one-third of them will be insolvent.

Mr. Chairman, cattlemen throughout the country are wondering whether the Secretary by action or deed intends to go through with this thing until the price of cattle has been stabilized. They are fearful that unless the Secretary is willing to underwrite the price of cattle or to recommend legislation that will enable him to do so the situation will be even more disastrous before the end of the year.

I say this, therefore, Mr. Chairman, that it is the responsibility of the Congress to give to the Secretary a mandate to support the price of cattle as the only sure way of bringing us through this crisis.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Colorado.

Mr. HILL. May I ask this question in regard to grain prices: Unless cattle prices are stabilized at a figure where the stock growers may make a profit, will the final result be on grain prices?

Mr. ALBERT. Either the Government will own most of the grain or we will have to stop the support program on feed grains.

Mr. HILL. And we will have no place to store the grain.

Mr. HOPE. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, perhaps you wonder why a Representative from the Midwest asks you to vote for a bill which directly relates to the drought situation in southwest Texas. Judging from some of the remarks made here by Representatives from Texas who are more directly affected than some of the rest of us, they do not think too highly of this legislation. They should be the first ones to be wholeheartedly in favor of the bill.

This is an emergency measure, but it also has general application to meet other emergency needs. The people of the United States throughout the years have been most generous whenever an emergency has occurred. Whenever and wherever a great tragedy has taken place the people of the United States have come to the rescue for humanitarian reasons if for nothing else.

We have been very generous with foreign nations, much too generous as far as I am concerned. I for one think it is high time we also gave a little attention to the needs of the people of the United States. That is what we are trying to do in this bill.

I visited the Southwest drought area last weekend as a member of the special livestock committee and want to give you the benefit of some of my observations.

Our subcommittee has been most interested in the cattle and livestock prob-

lem for a long, long time. Chairman HOPE set up our subcommittee early in this session. We immediately directed our effort to the particular problems which had been assigned to us for attention. One of the problems which seemed to be bothering the cattle producers and the cattle feeders of the country was the question of controls on meat. We worked hard to get rid of those controls, and we helped accomplish that very thing. The removal of controls had a very wholesome effect on the cattle industry. Then we directed our efforts toward getting the Armed Services to buy more meat. We have made a great deal of progress along that line, and the Government is today buying more meat than ever before. Then too, we directed our efforts to getting the school lunch program to absorb more surplus meat, and we are getting along well with that program. Our subcommittee also had ready an emergency credit bill to be introduced the moment it was disclosed that there was a credit squeeze on cattle paper. We were ready to introduce that kind of legislation. A survey made by the Federal Reserve bank discloses that there was no particular credit pinch at the time we prepared our bill. Now we have this emergency and we are presenting a bill which takes care of not only the situation in the Southwest, but which will also take care of other and similar emergencies throughout the country.

Five members of the livestock subcommittee made a trip to Texas over the Fourth of July holiday, when perhaps we would have much preferred to be at home with our families. We flew to Amarillo, Tex., where we met with a large group of cattlemen. They discussed their problems with us. Then we flew clear down to the Mexican border as low as safety would permit. We had a good view of the country and saw devastation everywhere. The situation is almost unbelievable. The land is about as barren and hard as the floor in the well of this House. We saw very few green spots anywhere. We saw very few cattle or other livestock. The few that we did see were gathered around wells and small watering places. I was advised later that most of the livestock had already been removed to greener pastures out of the drought area. Only where there was irrigation could we see faint glimmers of green, and that was even disappearing. We saw roads drifted shut with sand and dirt. It is my frank opinion that unless they have rain in the Southwest very soon, they are going to be confronted with a Dust Bowl problem.

We, therefore, are dealing with an emergency which needs immediate attention. I may say that the people in the Southwest are very much pleased with the action that has already been taken—the prompt action taken by this administration and Secretary Benson. They moved in with dispatch. Not only did we talk to cattlemen at Amarillo, but also conferred with a group of cattle people at Sonora. From there we drove to San Angelo where we had a luncheon with other interested people. Later in the day we flew up to Wichita Falls,

where we had one of the largest and best meetings I have ever attended. I think there were some 300 cattlemen present who frankly told us about their problems.

One of the things that impressed me very much was that in spite of their adversity and in spite of the drought that has been going on there for a period of 3 years, and mind you they have not had any appreciable amount of rain for 3 years—the people displayed a most splendid attitude.

They said very frankly, "We are at our wits' end. We believe in the free-enterprise system. We believe in States rights. We want to do everything we can to help ourselves, but we cannot combat an act of God."

I think they have done everything within their power to help themselves, and that is most commendable. Reference was made to the attitude of the Legislature of the State of Texas. I do not know anything about that, but I did hear in the discussions down there that the constitution of the State of Texas prevents any legislation which would provide credit to the people of Texas. Whether that is a bar to what Texas might have done, I do not know. I do think, however, that the Texas Legislature should have come to the front and at least offered to do something. Regardless, the problem is ours now. In my judgment, it is essential that relief be afforded to the stricken area without delay. Let us not forget that the bill applies not only to this particular area, but has general application throughout the country if similar emergencies arise.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HOEVEN. This situation in the Southwest certainly did not help the cattle market. We have had a depressed cattle market for a long time. But since the administration and Secretary Benson stepped in promptly and aggressively, it has already helped stabilize the cattle market. I am advised that the cattle market has already gone up \$1.50 in the last 3 days.

Our objective is to reestablish confidence in the minds of the cattle producers and the cattle feeders of this country and we hope the bill here presented will be a step in that direction.

The very day we were in Texas we were told that some 20 carloads of corn had already reached College Station, Tex.; that some 34 carloads of wheat were on their way from Kansas City; that several carloads of oats were on their way from Chicago.

The people in southwest Texas were immensely pleased. They told us they had never seen any emergency handled with such dispatch. New confidence is in evidence which I hope will permeate throughout the length and breadth of this country, wherever cattle are produced and fed.

So we are not only taking care of the Southwest situation, but are also ready to take care of any other like emergency which may arise. The bill has nationwide application. Further, we hope pas-

sage of the bill will stabilize the cattle market, which is so highly essential at this time. Lastly, we hope to reestablish confidence among the cattle producers and cattle feeders of the country.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I would like to talk about the bill that we have before us. There is some question in my mind concerning the provision in the bill on page 5, line 21, which reads:

For a period of 2 years from the effective date of this subsection loans for \$2,500 or more may be made—

Then the bill goes on and states that they will be made by the Farmers' Home Administration. Since the Farmers' Home Administration may make loans up to \$7,000, I wonder why that limitation of \$2,500 is put in there. Is there any member of the committee who can tell me why we have a separate loan limitation in this particular bill?

Mr. AUGUST H. ANDRESEN. If the gentleman will yield to me, I raised the same question in the committee, and I suggested that the amount be \$1,000 instead of \$2,500. But the majority members of the committee felt that if you were to lower the amount so it would be below \$2,500 or remove the minimum, that it would make for such a multiplicity of applications for loans that could otherwise be taken care of under the regular farm home loan setup and would complicate the situation. So I did not press my amendment. It was also felt as I recollect that this would limit the loans to larger borrowers who could not get credit otherwise, and I believe there may be something to that.

Mr. MARSHALL. I want to thank my colleague, and now I would like to ask another question in connection with this same item that I think the gentleman may cover in his answer. You have set up a revolving fund. The thought that comes to my mind is that we are limited with funds for the Farmers' Home Administration.

As I understand the wording of this bill the loans that the Farmers' Home Administration makes are made out of the regular appropriation, or no great part of them is made out of this revolving fund. Since they have an excellent administrative setup based upon experience in the handling of this sort of thing I wondered why you did not make a disaster loan available to them at their regular limitations with the privilege of using the revolving fund to handle that sort of situation and then if you have a disaster come up you would always have an administrative setup readily available on the job to go to work.

Mr. HOPE. I may say to the gentleman that we do have a revolving fund now under the provisions of Public Law 38. It is not large enough to take care of a situation of this kind, and the Bureau of the Budget will be asked to submit a supplemental estimate to increase that fund; but we do have the fund now, although it is not large enough to take care of this specialized situation and other situations that might arise throughout the country.

Mr. MARSHALL. As the distinguished chairman of the Committee on Agriculture is well aware the Farmers' Home Administration has heretofore made disaster loans with, I think, a commendable record. Why not make available to them the facilities of this revolving fund for disaster purposes? I am not talking about their regular appropriation but for disaster purposes; thereby they would be ready to step in immediately and do a job.

Mr. HOPE. They have the authority which is given by Public Law 38 of the 81st Congress. Those are the funds that were left from the old RACC organization. Public Law 38 dissolved the Regional Agricultural Credit Corporation and transferred the remaining assets of the Corporation amounting to \$45,500,000 into a new disaster loan revolving fund. That is the fund that is being loaned now in disaster areas by the Secretary of Agriculture. Now we are expanding this to include disaster areas which have been declared by the President under Public Law 875 and have also broadened the purpose for which the funds may be loaned. Additional funds will be made available for that purpose under this bill.

Mr. MARSHALL. I thank the distinguished gentleman. I also note on that page of the bill the gentleman is talking about that the interest rate heretofore charged on disaster loans has been 3 percent. This bill increases the rate to 5 percent.

Mr. HOPE. This bill does not fix any interest rate.

Mr. MARSHALL. It says not to exceed.

Mr. HOPE. Yes, not to exceed; that is an upper limitation.

Mr. POAGE. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, I am for this emergency relief measure to benefit the great people, cattle, and terrain of the drought-stricken Southwest, and as one coming from New Jersey, a highly metropolitan area, which lives in continued periods of economic, political, and social adjustments, I think the reason is obvious.

Ever since 1609, when the *Half Moon* dropped anchor off our shore, New Jersey has served as the gateway to the Nation. People of all races and beliefs have cleared our port. Common to all history relates, has been the desire to realize the American dream, the ability to live life fully, in self-respect, unfettered by fears, least we see too much, hear and know too much, talk, travel, think or do too much. Ever since 1609, in New Jersey, as later elsewhere in our Nation, a premium has existed on character and self-reliance, on wisdom and judgment, self-propelled. This, then, puts us on solid ground. We join with the great pioneer people and tradition of the heroic Southwest. Yet, somewhere along our journey, in the life of this Nation under God, our paths have separated. This bill, I think, brings home to all, the need of parallel, not divergent, pathways in quest of our dreams.

We in New Jersey, especially in the 13th Congressional District consisting of Bayonne and a sizable portion of Jersey City, understand emergency legislation, the ability of government to serve and meet needs beyond our capacity to do so. Housing is a case in point.

Faced with opposition to public housing by sentiment largely in agricultural areas, we nonetheless persist in proclaiming its benefits as we do your right to emergency relief. We eat your food and wear your fiber, very efficiently, distribution and costwise. You enjoy a great profit on these from us. We do wish your sentiment would parallel ours in this matter of housing which we need and appreciate the better to eat your food and wear your fiber. I am sure that my constituents join in these sentiments. We are sorry for your distress and trust this relief is speedy and effective, and that you think a little more compassionately of us city folk in the future.

The second point which occasions my speaking at the moment, to stress how it takes an emergency sometimes for us to better appreciate the benefits of Federal standby agencies is this: The other day I asked a gentleman who is busy winding up the RFC, which has about a year or two to go, unless we stay the decision, whether if we took the wraps off the workings of atomic energy we could begin to propel its development in the life of America, with credit available to do so. He answered that as soon as Congress takes the wraps off atomic energy for use industrially or for power and irrigation purposes, we will have all the money available in the country at our disposal. Yet the New York Times last Monday states that there is hardly a venturesome penny on the scene for this purpose. I intend to submit the article as well as the above testimony, should it be needed, when we debate the RFC appropriation. Perhaps under the leadership of this administration, the RFC can be retained to serve at home, in such emergency and research development needs as the Southwest drought and atomic energy, as efficiently as the Export-Import Bank has at home.

Incidentally, bank statements appearing in Hudson County newspapers 2 days ago, reveal solvency and prosperity, the RFC notwithstanding. It will continue, I trust, even with our passage of this agriculture relief bill.

Mr. POAGE. Mr. Chairman, I yield myself 13 minutes.

Mr. Chairman, I hope that members of the Committee will recognize we are not simply dealing with one situation that has arisen and has become quite acute in one particular section of the country. We are dealing with a general disaster credit program this afternoon. This legislation relates to any and all disasters that may occur throughout the country and it includes economic as well as physical disasters.

This bill allows loans to be made as a result of an economic disaster whereas the present law has confined it to a physical disaster. That is the thing that many of the Members of this House seem to have misunderstood today.

After all, many of the people of Texas and of the Southwest can qualify under existing law for disaster loans. People in other sections of this Nation cannot qualify under existing law but some of their Representatives have come in and suggested that this bill is simply for the benefit of the people of the drought area. I repeat the fact that under the law as it stands today the people of the drought areas of Texas can get loans. I call your attention to the fact that it is the people in nondrought areas who cannot get loans under existing law. The people of all sections are suffering from this economic disaster.

In the Southwest we are suffering from two disasters. We have the same economic disasters others have and we have the worst drought that we have had in the memory of man.

Last year I talked to an old friend out in west Texas who said: "We always used to look back and consider the great drought of 1886 as the worst drought we had ever known; but now it is only the second worst drought." That was last year, and the drought is still on.

Let me give you some rainfall figures. At Stamford, Tex., which is on the eastern edge of the disaster area, the normal rainfall is 25 inches. That is not a great deal of moisture, but you can make a good crop with it, you can get good grass with 25 inches. Remember, normal rainfall 25 inches. In 1951 it was 16 inches, in 1952 it was 13 inches, and in 1953 it has been 4 inches thus far.

When someone suggests that maybe there is always a drought in the Southwest, let me say, "Yes, they have a normal rainfall of only 25 inches." It is not as much as some other people have but it is enough to make a crop. But when you cut that rainfall half in two you have a desperate situation.

Now, there are other areas in the United States that are going to need exactly the same kind of consideration that the Southwest now needs. Some of the people are now finding, with 4 weeks and 8 weeks drought, that their crops are burning up, and they are saying "We need some help." If you are distressed with an 8-week drought, what do you suppose is happening to those who have had 3 years of drought? I gave you the figures for Stamford; that is not in the middle of the drought. I do not have the figures for the center of the drought area where they have had 4 dry years, and where their distress is even greater.

You do not have a simple matter of loss of crops, you do not simply have the necessity of sending livestock to market, you have the question of how do you continue to maintain physical life in that area when you are out of water, because much of the area depends on surface water.

I am combining the 2 problems—drought and ruinously low prices—because the 2 problems are both contained in this bill. We make provision in this bill to relieve the general economic distress that takes place all over the country. We make special provision for cattle loans that are designed to meet the needs of the distressed area.

Let me call your attention to this special cattle-loan provision for the distressed area, because a great many people have apparently misunderstood it. There is a provision in this bill that provides for cattle loans of more than \$2,500 at 5 percent, and I have had half a dozen Members suggest, "Well, I want to offer an amendment to cut that interest rate to 4 percent to help the little man." My friends, you already have a 4-percent loan for the small man from the FHA. We felt where we were making these special loans to care for this special problem and making them a little larger than are usually made, that it was sound that we make the distinction in favor of the small man, and that is the way the bill reads. It favors the smaller man; it does not discriminate against him. The fact that we say that these loans start at \$2,500 simply means that we are letting the little fellow who is borrowing less than \$2,500 get a more advantageous loan, and we are saying that the larger operators can pay a little higher rate of interest.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from California.

Mr. HOLIFIELD. I am glad the gentleman is discussing that question. I want to ask him if the FHA has an adequate revolving fund to give the smaller farmers these loans at 4 percent, and if not, does this bill provide in any way by earmarking that the funds that will be subsequently appropriated will be allocated to the existing FHA revolving fund.

Mr. POAGE. The FHA at the present time does have enough funds as I understand it, to carry out this entire program. There are enough funds to carry on their small-loan program provided we get new funds to carry on this additional special program. The bill then authorizes additional allocation without limit to the revolving fund which can be used for both purposes, but which I would assume would be largely used for the special loans. If that is done, then you have plenty of money to take care of your small loans.

Mr. HOLIFIELD. I support the bill as the gentleman intends to support it, but I certainly would want the congressional intent of this body to show that adequate funds would be made available for the smaller man than \$2,500.

Mr. POAGE. I think I may speak for the members of the committee in saying that it is the intent of the committee to make all needed funds available, both for the small FHA loans and for the special cattle loans.

Mr. HOLIFIELD. I hope the chairman of the committee will address himself to that point.

Mr. POAGE. I think I may very well say that that is the intention, that there will be adequate money both for the small operators and for the larger loans.

Mr. HOLIFIELD. Will the gentleman yield so that I can address that question to the chairman of the committee?

Mr. POAGE. I yield.

Mr. HOLIFIELD. My question, sir, is this: Will there be adequate funds sub-

sequently appropriated to the revolving fund of the FHA to make money available for small loans to people who want less than \$2,500 at the customary rate of 4 percent?

Mr. HOPE. There will be in the drought area. Loans under \$2,500 are limited to disaster areas which have been declared by the President.

Mr. HOLIFIELD. Then it is the intent of the committee and the Congress that loans will be made available to people who are at the less than \$2,500 level by the passage of this legislation?

Mr. HOPE. If they are in an area which has been declared a disaster area by the President under Public Law 875 of the 81st Congress.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. BROOKS of Louisiana. I think the gentleman from California has brought up a very important matter. In connection with the recent flood disaster areas, I was recently down in some of those areas and checked on some of the local farmers in reference to the handling of relief in those areas. The complaint was made there, and I think perhaps it was justified, that the little man was to some extent overlooked in the handling of these loans. I certainly know the gentleman from Texas shares the belief I have that the little man should be taken care of as well as the larger man in the handling of this type of legislation. Even though it be by administrative means, effort should be made to take care of the small man.

Mr. THOMPSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. THOMPSON of Texas. The gentleman knows, of course, I am very strongly on his side of this entire matter. I quite agree that the present legislation, together with the efforts of the administration, are beneficial but that they may not go far enough. It may be of interest to the Committee to know that my section of Texas is not seeking relief of any kind. We have been blessed with good rains. We have sufficient pastures to carry our stock. We are making good cotton and rice and we are in a reasonably comfortable position. However, we realize that drouths may spread and we have learned that the financial disaster which is brought about by the distress selling of cattle in the drouth areas can and does demoralize our own markets. We are interested in seeing our neighbors receive every possible and every necessary assistance.

Our greatest concern is over the future of the cattle business. If the present low prices continue, it will be very hard to make more than a bare existence out of the cattle business. We want to see the surplus of cattle in the distress areas taken off the market. We have a feeling that there will have to be some system of guaranteed loans to the banks which, of course, means a floor under the price of cattle.

Above all, we realize that this is a complete package proposition. We cannot pick out just one part of our community to bolster and relieve. We cannot and should not want to save the cattle producers without also saving the banks which have loaned them money in the past and which will have to stay with them in the future. We do not want any part of our economy to suffer for the benefit of another.

Speaking for all of these people in my district, I wish to state that I think this bill ought to pass. I commend the chairman of the Agriculture Committee, the Honorable CLIFFORD HOPE, of Kansas, for his prompt action. I also want to thank the chairman of the Livestock Subcommittee, the Honorable WILLIAM HILL, of Colorado, and the other two Republican members who accompanied us on our visit to the drought areas, the Honorable CHARLES HOEVEN, of Iowa, and the Honorable ROBERT D. HARRISON, of Nebraska, for their sympathetic interest.

(Mr. THOMPSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. LUCAS. I think the gentleman from Texas realizes, although he has not yet said it, that the farmers and the ranchers of Texas are not asking for any handout from the Government in the way of cheap interest. They are perfectly willing to pay 5 percent if they can get the money. It is the money they need in order to cover their running expenses and keep them from having to sell their basic herds.

Mr. POAGE. I think there are three things the people in the distressed areas have to have. In the first place, they have to have feed.

Mr. LUCAS. And they have to have money to buy that feed.

Mr. POAGE. They do not have the feed, physically, at the present time. The Department has announced a program which, as far as it will go, as far as it can be financed, is excellent, and I am heartily in favor of it and endorse it. That is the program of providing protein feeds at \$35 and wheat at \$1.10, corn at \$1.00, and oats at 50 cents per bushel.

The next thing the ranchman must have is some money or credit with which to buy that feed. No matter how cheap the price may be on that feed it takes money or credit to buy. This bill attempts to give him that buying power. Frankly, I do not think this bill goes far enough. I do not want to be in the position of criticizing everything that is done because I think what is being done is helpful and I am for it. I am not criticizing but I think we are going to find that this situation is so much worse than it has been pictured that we are going to have to have even more credit than this bill provides. I think it will probably have to come in the form of guaranteed loans, that is, where the Government guarantees the loans the local lending institutions make.

Then, in the next place, there must be a Government buying program to support prices. Feed and money to buy it are of no value to the stockman unless he at least has hope that his livestock is going to be worth more after he has fed that feed to them than they are worth today. You simply cannot buy feed cheap enough to feed a 5-cent cow and make money on it. It is an impossibility. I do not care how cheap you get your feed, you cannot come out feeding a 5-cent cow. Those cows that have been selling for 5 cents in that distressed area must bring more, else the man is foolish to feed them at all, no matter how cheap the feed.

Consequently, we must have something to stabilize and raise the market, and that involves a purchase program. I think that much of the meat the Government buys must move into foreign channels. That means we must export at least part of whatever the Government buys. You have to be practical on this thing, and have the Government acquire something it can use, something that can be disposed of. I think we can dispose of this beef in a great many of the foreign nations of the world by the simple process of taking their currency in payment and using that currency to pay our bills in the 49 nations of the world in which we are today paying bills with foreign currency.

I think we have to go a great deal further than the 200 million pounds of purchases that are being talked of. The present purchase program is good as far as it goes. I am for it. But I think instead of buying 200 million pounds, we are going to have to talk in terms of \$200 million or some such figure so that the Government will be in the market long enough to bring the entire market up. We do not want the Government simply to go into the market and artificially boost the market up to a fixed or artificial figure and then drop out, because then we would be worse off than ever. The market would collapse. It must be brought back to reasonable levels by sustained support.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, this legislation must be considered in connection with the entire program which the administration is undertaking to meet the cattle situation as well as the situation in the drought areas. The overall situation with respect to cattle prices, has been very much complicated by the fact that in the drought areas there have been forced sales of cattle which has contributed to the decline in prices all over the country. The program to which I refer consists of four parts.

One part of it is furnishing feed in the drought areas. This feed at reduced prices is being furnished at this time in the drought areas from funds which have been advanced from the President's disaster funds. But that is only a comparatively small amount, and the legislation we are considering carries addi-

tional funds for that purpose. That is to equalize the cost of feed.

The second thing that is being undertaken is a reduction in freight rates into the drought areas. Feed will be carried into the areas under reduced freight rates and efforts are being made—I am not sure whether they have been completed or not—to provide for reduced transportation rates on cattle going out of the drought areas to areas where feed is available.

Then there is the program that has been set up to purchase canned beef and processed beef which, I think, is having a substantial effect on the market at this time. I want to call attention to the fact that as a result of this entire program, there has been a substantial recovery in cattle prices during last week and this. The overall recovery has been about \$2.50 per 100 pounds, and the price is still going up. There was an advance today. Whether or not we are buying enough and whether or not the program in effect will be sufficient to sustain the advances in price, I do not know, but I think we should give the program a fair trial. I do not want to suggest that we should wait too long, but let us wait and see if it continues to bring about an advance in the prices which are being paid for cattle on the principal markets.

The fourth phase of this program is the credit phase. That, of course, is the principal part of the bill which we are considering today. There are two types of loan provided in this bill. One is under section 2b which merely expands a type of disaster loan already being made by the Farmers' Home Administration and permits it to be made not only to farmers who are suffering from the effects of drought but to farmers in a disaster area who for any reason—are in a situation where they need loans in order to maintain their normal farming operations.

Replying to the questions asked earlier by the gentleman from Minnesota [Mr. MARSHALL] a little more extensively than I had an opportunity to do then, may I say that the Farmers' Home Administration of course is authorized to make loans to farmers who are in financial distress, in all parts of the country. That is under their regular program, and if by reason of the economic situation a farmer is in distress in any part of the country, he is eligible for one of the regular Farmers' Home Administration loans. If he is in a disaster area, then he is also eligible for the loans that are authorized under this legislation. So I think there has been provision made whereby every farmer or livestock man who is in distress, can be taken care of under one of these types of loans now available.

Then there is the provision for special livestock loans, which is intended to take care of those cases which are beyond the scope of the loans which the Farmers' Home Administration usually makes. Those loans from \$2,500 on up are special loans. They are not confined to a drought area. They may be made anywhere in the United States, if an established livestock producer can show

he has not been able to get sufficient credit through regular channels, and that he can work himself out of his difficulties if he gets a loan.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

(Mr. HOPE asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

Be it enacted, etc., That section 2 of the act of April 6, 1949 (63 Stat. 43, as amended), is hereby further amended by adding these new subsections as follows:

"ECONOMIC DISASTER LOANS

"SEC. 2. (b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to make loans to farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if he finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"SEC. 2. (c) For a period of 2 years from the effective date of this act loans for \$2,500 or more may be made to established ranchers or stockmen (including corporations or associations engaged in the business of financing cattle and if owned and controlled by ranchers and stockmen engaged in the business of buying and selling cattle) who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the need of the borrower but not exceeding, in the first instance, a period of 3 years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 percent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local financing institutions, livestock operators, and persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

"EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

"SEC. 2. (d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance

by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, but the Secretary may waive repayment in whole or in part if in his judgment circumstances so require. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and may reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for administrative expenses necessary in performing such functions."

AMENDMENTS TO EXISTING PROVISIONS

The last sentence of subsection 2 (a) is renumbered as subsection 2 (e) and a comma and the word "reimbursement" shall be inserted after the word "loans" in said subsection.

The letter (a) in the last clause of subsection 2 (b) is deleted, the subsection is renumbered as subsection 2 (f), and there shall be added at the end thereof the following new sentence: "There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine."

With the following committee amendment:

Strike out all after the enacting clause and insert "That section 2 of the act of April 6, 1949 (63 Stat. 43), as amended, is hereby further amended as follows:

"(A) After the second sentence of subsection (a) add the following new subsections:

"ECONOMIC DISASTER LOANS

"(b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended, to make loans to farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"(c) For a period of 2 years from the effective date of this subsection loans for \$2,500 or more may be made to established ranchers or stockmen who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of 3 years, but may be renewed. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as are reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 percent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject

to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local financing institutions, livestock operators, and persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

"EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED"

"(d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended, to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, as the Secretary may determine. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster and may waive payment in whole or in part if in his judgment circumstances so require. The Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and shall reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for costs and administrative expenses necessary in performing such functions."

"AMENDMENTS TO EXISTING PROVISIONS"

"(B) The last sentence of subsection (a) is designated as subsection (e) and a comma and the word 'reimbursement' shall be inserted after the word 'loans' where it first appears in said subsection.

"(C) The letter '(a)' in the last clause of subsection (b) is deleted, the subsection is redesignated as subsection (f), and there shall be added at the end thereof the following new sentence: 'There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine'."

Mr. ABERNETHY (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Secretary of Agriculture, Mr. Benson, on invitation extended by me and others, several months ago agreed to make a speech in Lubbock, Tex., in the congressional district which I represent, on June 27. Prior to June 27 the drought condition became increasingly acute. The Secretary agreed upon our request that when he visited west Texas he would personally have a look at the drought situation. I wish in behalf of the Secretary that he made a highly favorable impression upon the people when he went to west Texas. He observed the situation firsthand and

showed great interest in our problems. The people of Texas were grateful to him for his trip to Texas and for his actions at that time. He did not at the time, however, announce just what his program would be.

Of course, a really far-reaching approach must be made to this question if we are to meet it. I think halfway measures will cost us more money in the long run and get us nowhere in particular. A bold approach is preferable; a bold approach is necessary for success.

Much emphasis has been placed on the more spectacular phase of this question; that is, the plight of the cattlemen. That emphasis is fully in order, and I do not wish to minimize it. But the plight of the nonlivestock farmer in the drought-stricken area is just as serious. There are thousands of dirt farmers who do not deal extensively in cattle. I have hundreds of farmers in my district who do not even have a fence around their farms. It is important that cattle be fed; it is even more important that people be fed. We are going to have some hungry people in the drought area if adequate credit is not soon provided.

Those who think that this is just a cattle problem are far off base. I think it must be obvious to the Congress that where a farmer has had 2 years of failure and is threatened with another and will get no real income probably until the fall of 1954, he needs credit, he needs generous credit, and he needs credit in some cases without any security whatever. He needs credit for feed and seed. He needs credit for tractor fuel, for groceries, and living expenses. He needs credit to stay on the land and maintain the stability of his family in the community. I believe that if we would provide a much larger sum of money under the production and subsistence part of the Farmers' Home Administration loan program, I may say to the gentleman from Kansas [Mr. HOPE], we could take care of many of the farmers of the drought area; but it is going to take real money, and the amount provided up to date is absolutely inadequate for that purpose.

With respect to the cattle program, it does not pay to feed even low-priced feed to cattle that are practically worthless on the market. This thing cannot be met, and this crisis will not be eliminated until we put some starch into the backbone of the cattle market. For that reason I think we should go into a rather extensive cattle-buying program because I think it would stiffen the market. Even the small program already undertaken is doing that to a very limited extent, but not in an adequate way. Perhaps the announcement of a purchase program would do the job, and very few purchases would actually have to be made.

Ranchers are complaining that when you have a poor old cow on the range, just to feed her high concentrates such as cottonseed meal or cottonseed cake or some other high-protein feed does not meet the situation; some way has to be found to provide some roughage for these cattle on the farms and ranches and dairy farms. There are ranches of hun-

dreds of acres where there is hardly a tubful of grass on the whole ranch to provide roughage for cattle. So we need a more ambitious approach to this question. Some type of hay or roughage feed to go along with the protein-feed program, it has been suggested, is absolutely necessary.

So, while I think we all recognize that the present bill is a step in the right direction, it does not go far enough. It will help a little, but it does not adequately meet the situation. I believe when we deal with this program timidly and in piecemeal we are just going to make it cost more in the long run and extend less assistance in helping farmers and ranchers help themselves. I hope that the committee will immediately take steps to bring out a stronger bill to stop cattle-price demoralization, and give confidence and support to the farmer. We are drifting down a very dangerous road which is dangerous to the entire economy of the United States. Let us put on the brakes and reverse the trend at the earliest possible moment. It will cost us less in the long run if we do it with boldness and confidence at the moment.

Mr. ALBERT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take this time to make an inquiry of my chairman, for purposes of the record as to what further action the Committee on Agriculture might take on the cattle price situation. The chairman made, I think, the most significant statement from the standpoint of the cattlemen in about two sentences that has been made. To wit, if I understood him correctly, that if this program did not work out to rally the price of cattle substantially, after we have given it a short trial, we should do something else. I would like to ask my chairman in view of the fact that we are faced with prospective adjournment just how long he thinks we ought to wait and whether we ought to act if prices do not materially increase within the next week or so.

Mr. HOPE. I would say that as long as the market is advancing, and it has been advancing during the 2 weeks since this program was announced, I think we can consider that the present methods are operating successfully. If the program falters in the next couple of weeks, then we should give consideration to a further program which, in my opinion, would involve some direct purchases of livestock.

Mr. ALBERT. Does not the gentleman feel also it might be best to try to enact standby legislation prior to adjournment in view of the fact that we might be out of session for a period of 4 or 5 months or longer?

Mr. HOPE. I think we should give consideration to that matter. As far as a buying program is concerned, I am not at all sure that would require legislation. I believe it can be done under existing provisions of law. The administration, however, might welcome an expression from Congress on the subject. Let us see how this program works out. Let us give it a fair trial for a couple of weeks. If it appears something further is needed,

let us decide then what should be done. I am in favor of as vigorous a program as it takes to do the job, I may say to the gentleman.

Mr. ALBERT. I thank the gentleman from Kansas. I know as does everyone interested in American agriculture that no one is more vitally concerned about the problem of adequate prices for farmers than is the gentleman from Kansas, chairman of the Committee on Agriculture.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. With reference to a price support program, may I say that an examination of title III of the Agricultural Act of 1949 will disclose that the Secretary of Agriculture does have authority to carry out such a program.

Mr. ALBERT. I think that is probably true. Whether the Congress should act, is another thing. I understand the Secretary's authority is not mandatory.

Mr. ABERNETHY. No, it is simply discretionary. The statute does not direct him to do so but it empowers him to do so.

Mr. ALBERT. I think the gentleman is correct, but, in my judgment, in view of the fact that the Secretary has not expressed either by word or deed much desire to go into a direct buying or other price support program, if the price of cattle does not rally shortly, the Congress should enact mandatory legislation.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 6, line 11, after the word "or", strike out "5 percent" and insert "not less than 3 percent."

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, this is a very simple amendment. The members of the committee will recall that about a week or 10 days ago we had a bill before us, which was approved, to dispose of more than 20 Government-owned synthetic rubber plants, involving a great many millions of dollars. That bill came to the floor of the House with a mandatory provision for a 3 percent interest rate. Under pressure the committee accepted an amendment stating that the interest rate shall be not less than 3 percent.

If it is good business to give those who owe the Government money on the purchase of synthetic rubber plants, who are not in distress, an interest rate of 3 percent, and that is what it amounts to, then it is good business to give the farmers of the United States who are in distress a 3 percent interest rate. Nothing in my amendment would prevent the Secretary of Agriculture from fixing a 5 percent rate, but if he did fix a 5 percent interest rate when some other Government agency gave the purchasers of synthetic rubber plants a 3 percent

interest rate, he would have to take that responsibility.

In the interests of fair play, the committee ought to accept this amendment. To reject this amendment is to say that what is sauce for the goose is not sauce for the gander.

I hope the amendment will be accepted.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall not take much time, but I want to point out that the people who will get these 5 percent loans are the larger borrowers. The provision applies to the loans above \$2,500. These borrowers are paying on an average of 5 percent on the loans which they have from the banks. I do not think we want to make these loans any more attractive from the standpoint of interest than the regular commercial rate because we want to make these purely supplemental loans. We do not want to encourage people to try to get this type of loan if they can be financed otherwise.

I would like to point out what the interest rate was on loans made by the RACC beginning back in 1932 and running on up to the time when the organization ceased to function as a lending agency. Those loans were very similar to the "special livestock loans," loans that will be made under this provision. They started out with an interest rate of 7 percent. It ran until January 1, 1933, at 7 percent. At that time it was reduced to 6½ percent. In 1940, on June 1, it was reduced to 5½ percent, and that is the rate that it carried for the remainder of the time that loans were being made. Five or 5½ percent has been the going rate on practically all of the loans of this type which have been made by the Government from time to time, and I do not believe that we should reduce the amount at this time below what has been customary under such conditions.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. POAGE. The bill as now written fixes this rate at 5 percent, does it not?

Mr. HOPE. It does.

Mr. POAGE. Which, as the gentleman just explained, is in line with going rates of interest. The amendment provides that the interest rate shall not be less than 3 percent. The Secretary could fix the interest at any figure in excess of 3 percent, and in line with the sound practice you have described he would probably fix it at 5 percent. So, for all practical purposes, the proposal is to keep the interest rate at 5 percent, but to make it look as if we had passed a 3-percent bill, is it not?

Mr. HOPE. Well, I am afraid a good many people would get that impression.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Iowa.

Mr. GROSS. My amendment would not fix the interest rate at 5 percent at all. The Secretary of Agriculture could loan money at 3 percent under the pro-

visions of my amendment. Can the gentleman tell me why this House should one day adopt a bill which provides for a 3-percent interest rate and the next day pass one to provide for a 5-percent interest rate, in both cases the money being owed to the Government?

Mr. HOPE. I am comparing this situation with other situations respecting loans of this type. The Federal Government is lending money and making loans in a good many fields these days, and if there is some reason for fixing a particular rate in one case and a reason for fixing a different rate in another case, I will depend on the circumstances of each case to explain the situation. But in comparable cases the 5-percent rate has been generally accepted, and I do believe there is an element of deception, perhaps—and I know the gentleman does not mean it that way—an element of deception in putting in here a provision that it shall not be less than 3 percent. That carries the implication that it will not be more than 3 percent, and I do not like the idea of creating that impression.

(Mr. WHITTEN moved to strike out the last word and asked and was given permission to proceed for 5 additional minutes.)

Mr. WHITTEN. Mr. Chairman, since being a Member of Congress I have had occasion to come in contact with this type of program on numerous occasions. I sat on the special committee which heard the testimony in connection with the Kansas-Missouri flood and its damages several years ago. At that time the President of the United States had in effect asked that the Congress to simply give a check, up to \$20,000 to the folks who had suffered damages, to the extent that they had suffered them. To my surprise some of the Republican governors of the States affected were before the committee asking that we carry out the President's request. Instead of that, this Congress, acting on the recommendation of our committee, increased the existing loan program of the Government to meet the needs out there on a loan basis. That was sound, as I see it, for several reasons. First, there is no way for the Federal Government to guarantee all of us against loss. The most that we can hope is that collectively, through the instrumentality of government, we can make available to people that suffer distress means whereby they can reestablish themselves. Having set that principle in that instance and having done it elsewhere, I think this bill is in accord with established policy. I think it is in accordance with the policy we have established.

However, here is something I would like to point out to you which is an innovation and which I think is unsound in the present bill. In what we have done heretofore we have gone through the established programs of the Government, and it has been administered by existing agencies of the Government.

The Farmers' Home Administration, under its very able Administrator, Hon. David Lasseter, who unfortunately has now left that agency, has made an excellent record through the regular or-

ganizations in the counties where they have committees, who know the people, and where they know something about "If you loan money, let's collect it," and where they know something about, if you are lending the money to a man so he can reestablish himself, you can require those to whom he may be obligated to give him that chance.

Under that Administration the rate of collections has been more than 90 percent, and this is in disaster programs. It has been done by personnel you already pay, who are already employed by the Government of the United States.

What do we find here? We set up under this bill a special financial committee at \$25 a day, a special committee from financial institutions, I would take it, if you read this bill. We go around the Farmers' Home Administration, who are trained in this field. Is it a case, as some have said, of trying to help those who try to help the farmer or helping the farmer first and through him those others? The first announcement made by our Secretary, and I know his intentions were good, was to buy canned beef from the canning trade. Is that relieving the farmer? Why, it looks to me like we are setting up a new agency to do a given thing which may give aid not to those that we primarily wish to extend it to.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I am glad the gentleman from Mississippi brought out the point about the committee's membership receiving \$25 each a day. Of course, the gentleman knows that the Farmers' Home Administration has local committees that have an understanding of the situation, and they are serving in the local communities. They already have the experience and are set up. It is my understanding that they are paid a fee of not to exceed \$8 per day. Certainly the record of the Farmers' Home Administration and the work of these advisory committees have well justified everything they have done.

Mr. WHITTEN. I thank the gentleman. I know of no Member of this Congress who knows better the actual operations of the Department of Agriculture than my friend from Minnesota. I have a little handful of stock in several banking institutions myself, and owe several others. I certainly wish to protect their solvency. But how many banks do you think are going to extend further credit if they can get their borrowers in under this program and not have to stand aside as to their existing loans? How many do you think are going to extend any further credit themselves? If you were a banker, how much of it would you do?

Not only that, but let me tell you something further. There is a supplemental appropriation bill coming before the Congress. I believe we should collectively through the instrument of Government make it possible for these people in this disaster area to get themselves back in sound financial condition. But

this does not merely provide for the appropriations of funds by the Congress.

What does this bill do? It says the Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions, and he shall repay. Well, where has he any money to repay? What are you going to do when you want to borrow some money to extend the REA lines in your district, and they say, "We are sorry, we have lent those funds under this bill to people who have been borrowing money in the State of Texas." I think the intent here is good so far as I can tell. It may be that there is some intent on the part of some to bail out the lending institutions as against the farmers first, but I know that is not true of the members of this committee. I have dealt with them too long and I know their interest, including my friend, the gentleman from Kansas, chairman of this committee, is to bring about a real opportunity for these people to reestablish themselves. I say in the interest of sound operations we should follow the regular course, appropriate the necessary funds and handle it with regular personnel who are experienced in this business and who have a fine record. I say again if we are going to go into this kind of program, appropriate the funds necessary, lay it on the barrel and loan this money, but do not take such funds away from the REA or the Commodity Credit Corporation or the Forest Service or the Soil Conservation Bureau or the Production and Marketing Administration. Let us bring it up in the pending supplemental appropriations bill. This Congress will approve it. I think that would be sound business.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HOPE. I understand the gentleman's position, of course, and the point that he makes. I will say that was discussed in the committee. I would think under some circumstances the fears the gentleman has might be well founded, but if the gentleman will refer to the language, the language says the Secretary will reimburse the agencies from whom he takes the funds, if he takes any, to carry out this program.

Mr. WHITTEN. The gentleman will admit it would probably be a year before the Secretary through the Congress could get any appropriations to reimburse the agencies. Will it not?

Mr. HOPE. I am not sure of that. It is my understanding that the Secretary is going to the Bureau of the Budget to secure funds, and that will come up in the supplemental estimate, and they will be submitted to the gentleman's committee for inclusion in one of the supplemental bills. I hope there will be sufficient funds so that it will not be necessary for any borrowing to take place in any event.

Mr. WHITTEN. But unless they get the budget estimate, and unless the Congress stays in session long enough, and unless the Committee on Appropriations backed by the Congress does appropriate

additional funds, we are making it possible to take this away from the other operations insofar as they may use it, from appropriations already made by the Congress to the various agencies of the Department of Agriculture at least for a year—are they not?

Mr. HOPE. I do want to say to the gentleman that Mr. Farrington, who will be administering this program was before the committee. We interrogated him about this matter. He assured us that any funds that might be transferred or that might be used would be incidental and, of course, the funds that would be involved here would be from the Commodity Credit Corporation as they will have to be reimbursed for the feed which they now have in their stocks that they are sending out to the drought area.

Mr. WHITTEN. I would like to ask the gentleman why the committee is bypassing the Farmers' Home Administration that has been handling this program, and which has a very wonderful record in handling this program?

Mr. HOPE. I am sorry the gentleman got the impression we were doing that because we are not bypassing the Farmers' Home Administration. The Farmers Home Administration will handle all of this program except that we do have the situation in special livestock loans where it was felt there should be a little different sort of committee set up which will in the name of the Farmers' Home Administration approve the loan. All the work will be done by the Farmers' Home Administration, and all the funds come through the Farmers' Home Administration.

Mr. WHITTEN. It is my information in the last few days that not only this, but under the reorganization plan of the President, the disaster loan program will no longer be handled by the Farmers' Home Administration. Has the gentleman heard anything along that line?

Mr. HOPE. No, I have heard nothing along that line. Everything that I have heard would indicate the contrary, but I have not inquired along that line.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. GROSS. Does the gentleman know of any reason why under one bill we should have one interest rate, and under another bill we should have another interest rate? In other words, does the gentleman know any reason why we should make fish of one borrower and in another bill make fowl of another borrower from the Federal Government?

Mr. WHITTEN. I know of no reason for that difference. Frankly, I cannot see it. I think the gentleman is sound in saying that if we are going to have a 3-percent loan in other instances, there is nothing that keeps us from having it here. I would like to say that here again that this bill sets up a new committee to run the program, three representatives of local lending institutions, at \$75 per day, and since we begin to hear the rumors, that really the primary interest of some in the affected area is to bail out those who have already loaned money to the farmers in this area, I cannot agree with such provision of this bill. Certain-

ly I hope that such people will be able to recover what they have loaned, but I cannot see the soundness of our entering into a program in the name of the farmers for that purpose.

I think the fine record of the Farmers' Home Administration, in seeing that the money goes where the Congress intends it to go and seeing that it is collected, as they have shown that it will be collected, and in handling it by their regular people without extra cost, is such that it is a poor time to go out and spend \$75 extra money a day in each county or community. Truly it raises the question as to whether this administration is willing to hold down Government personnel, administrative cost, and even who it primarily desires to help. And again I know the members of the Committee on Agriculture mean to do what they say. Having had detailed contact with the operations of the present program for many years, I must express the fear that this provision is unsound, expensive, and actually lends itself to defeating the fine purpose of the committee members.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to express my interest in the very fine statement which the chairman of the Committee on Agriculture [Mr. HOPE] just made to the House of Representatives. We have a great deal of confidence in Chairman HOPE, of Kansas. We who come from the farm areas have confidence in him.

Recently it was our pleasure to have Chairman HOPE down in Louisiana making a speech on agriculture. He made, in my judgment, a scholarly address on agriculture. At the same time, it was the type of speech that would appeal to the dirt farmer. His speech created a great deal of attention throughout the Southwest. I personally appreciate Mr. HOPE's coming to Louisiana. It was not in my district, but it meant a great deal to my people to have him there, and we were very happy to hear the fine sentiments that he reflected in his speech. I hope he will continue to give the attention which he is presently giving to the program of the cattleman, to his problems, and that he will come forth with some recommended legislation at an early date when he is satisfied that the trend of the market is not going to be satisfactory, because they do need some help.

Mr. Chairman, in speaking to the matter of the interest rate on these loans provided for on page 6 of the bill before us, I want to say this. I have had prepared, and considered offering it before my colleague, the gentleman from Iowa [Mr. GROSS], presented his amendment, an amendment which would have provided that the interest rate as set out on page 6 would be reduced from 5 percent to 4 percent. I thought, frankly, that 4 percent was the figure that should be adopted by the committee. Here is a 5-percent rate chargeable against people who, according to this bill, are in great difficulty financially,

but who have a reasonable hope of working out their financial difficulties by some form of supplementary financing such as this. And yet under this bill we provide for a rate of 5 percent to be paid by those people who are on the borderline, who are just about to go under financially, but who we think can make it if we will make them this little loan. In other words, they are in great distress financially, but we can save them by a proper loan.

I think that 4 percent is the right amount for the reason that the United States Government is paying $3\frac{1}{4}$ percent for its money on the market at the present time. I cannot understand why we should want to make money, through a high interest rate, out of a man who is just about to go under, but we think we can resuscitate him and put him back in a profitable activity by making him this sort of loan. I think our loan should be set on an interest basis that will carry the loan, and not try to make any money out of those people. And yet that is exactly what this provision does in providing for 5 percent.

It provides that the United States Government shall make almost 1 percent out of the money loaned to people who are just about to go under, who are floundering, but may be saved if given the proper help. This is certainly one type of loan as to which I think the Government should forget about making money out of its own people, and handle the loan on a carrying basis, and on no other basis. I say again, the bill is one providing disaster relief, and in that type of legislation the interest rate that should be charged I think is one which will carry the loan without attempting to make any profit out of these people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken and on a division (demanded by Mr. GROSS) there were—ayes 14, noes 54.

So the amendment was rejected.

Mr. HOPE. Mr. Chairman, I am wondering if we could have some understanding about closing debate on the committee amendment and all amendments thereto. I am not trying to shut anyone off, but there is another bill coming up.

I ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The time will be divided equally among the Members standing and will amount to approximately 3 minutes each.

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: On page 7, line 16, strike out all of line 16 and the first four words of line 17 and insert the following: "The Commodity Credit Corporation and the Farmers' Home Administration and the Production and Marketing Administration."

Mr. JONES of Missouri. Mr. Chairman, the extent of the area affected by the drought which includes counties in States other than those mentioned in the report, is far more widespread than many Members realize. For instance, only yesterday, the Governor of Missouri, the Honorable Phil M. Donnelly, a most conservative man, and I might add, a States-righter, appealed to President Eisenhower requesting that 43 counties in our State and parts of 15 other counties in Missouri be included in the drought-disaster area, and made subject to the relief offered by this legislation.

As an indication of the widespread nature and the seriousness of this drought in Missouri, I inserted in the RECORD yesterday, a copy of the telegram from Governor Donnelly and also a letter from Mr. John P. Kirby, of Ripley County, typical of other letters written from that section, emphasizing the seriousness of the situation.

I might also add, Mr. Chairman, that only this morning I had a letter from a friend of mine, Mr. A. T. Earls, a prominent farmer of the bootheel section of Missouri, who has rather large holdings throughout a considerable area in southeast Missouri, who writes among other things:

I am taking the opportunity of writing you in regard to the bad crop conditions in southeast Missouri, with which I know you are familiar. I have been farming in southeast Missouri for 45 years and have seen some bad conditions during that time; but I think this is the worst year that we have had. We have some fair crops in loamy lands, but a large portion of our land lies along the Little River Drainage District in Stoddard, New Madrid, Pemiscot, and Dunklin Counties. The people throughout this bad territory have failed to get anything on a large portion of their land. Some of them have planted as high as 3 or 4 times.

I think this district should be set up as a disaster area. I would appreciate your doing what you can to get this done. If something is not done, a large percentage of the farmers in this territory will be unable to meet their obligations and in many cases will be forced to sell their stock and equipment. Anything that you can do will be appreciated by me and thousands of others throughout southeast Missouri.

Now, Mr. Chairman, there are hundreds of others who would testify to the accurateness of the statement made by Mr. Earls. In another letter, from Mr. W. S. Edwards, Sr., another outstanding farmer of my section, he comments on the current situation by saying, "Unusually hot and dry—the worst year, to date, in the past 40 years, so far as crops are concerned," and Mr. Edwards should know for he has been farming there practically all of his life.

Of course I am supporting this bill, Mr. Chairman, but I do want to offer the amendment which has been reported.

At the time this bill was up for consideration in the committee I questioned the advisability of including the wording in this bill referring to emergency assistance in furnishing seed and feed. The bill states that "the Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for

carrying out these functions, and shall reimburse the agencies so utilized, and so forth."

What has actually happened is that this is going to be administered through the Farmers Home Administration and will utilize some of the stocks of the Commodity Credit Corporation; that being the case I feel that that should be sufficient, but I have also included in this amendment that the Secretary can utilize the personnel and the facilities of the Production and Marketing Administration in addition to Commodity Credit and the Farmers Home Administration.

I think we would be setting a bad policy to say that in a program of this kind the Secretary could utilize the funds, the personnel, the facilities, the property of, for instance, the Rural Electrification Administration; and I am certain that we should not be setting a precedent of authorizing the use of those funds, although it says that they can be reimbursed later on; but it does mean that there will have to be an appropriation for that. I think the gentleman from Mississippi [Mr. WHITTEN] indicated a minute ago that since this is going to be administered by the Farmers Home Administration that this amendment should be adopted.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to my chairman, the distinguished gentleman from Kansas.

Mr. HOPE. May I say to the gentleman I do not believe there is any real need for his amendment; at the same time I do not see any serious objection to it. I do not know that funds will be used from any agencies other than what the gentleman has in mind. I do not see how they could be used in all probability. Personally, I would be willing to accept the gentleman's amendment with the understanding that when we go to conference, if we find out there is some other agency that perhaps should be included, we might agree to that in conference. This bill will have to go to conference.

Mr. JONES of Missouri. I agree to that. I think the chairman should make the statement to clarify the RECORD, that he has no idea they would use the funds of the Rural Electrification Administration in this program.

Mr. HOPE. Yes.

Mr. JONES of Missouri. I certainly do not want them to be obligated.

Mr. HOPE. I join with the gentleman. I am sure we will not use those funds.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. JONES].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I have listened with a great deal of interest to the debate today. There has been one point that perhaps has not been emphasized enough and that is, why we have the great difference in the price that the producer gets for his beef and

the price that the consumer has to pay for it when he goes to market. I have spoken to several members of the great Committee on Agriculture and I know they are interested in this problem and feel we have to continue the investigation of this matter. We need to firm up the price for the producer, but, Mr. Chairman, the price is firmed up enough for the consumer. I, for one, would like to know where the profit has been going.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Florida.

Mr. HERLONG. I would like to tell the gentleman that our subcommittee is engaged at this time in an investigation of the very thing he is talking about.

Mr. MATTHEWS. I thank the gentleman for his observation.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Iowa.

Mr. HOEVEN. I just want to confirm what the gentleman from Florida said, that the Livestock Subcommittee is going to give this matter attention at the first opportunity.

Mr. MATTHEWS. I thank the gentleman. As one who likes beef, I would like to be able to afford beef for myself and my little family at least once or twice a week. If we can find out some way not to firm up the price too much for the consumer and firm it up a lot more for the producer, we will have the problem partly solved.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman is making a most important statement. Investigations to find out what happens in the matter of prices as between the producer and the ultimate consumer have been a dime a dozen for the last 25 years. I hope that someday a committee of Congress with some real courage will get down to bedrock and find out what does actually happen.

Mr. MATTHEWS. I thank the gentleman for his observation.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: Page 5, line 22, strike out all of line 22 and the word "operations," in line 23 and insert the following: "ranchers and stockmen who in the opinion of the committee hereinafter provided for are capable of maintaining their operations."

Mr. ROGERS of Texas. Mr. Chairman, I pointed out earlier today in my remarks on the floor that the bill now before the House extends the authority now vested in the Secretary of Agriculture and that it is not intended to limit it.

The reason for my amendment is simply this: The language now reads that these \$2,500 and up loans—that is the minimum, not the maximum—may be made to established ranchers or stock-

men who have a good record of operations.

I want to tell you what that does. That is going to confine loans from \$2,500 to above \$50,000 to a bunch of ranchers who have been in the business a long time. We have a lot of veterans that have come back here from Korea, we have a lot of veterans who have come back from World War II, and who have gone into the cattle business, and a lot of those fellows down there in that drought area have operated for 3 years at a loss simply because they could not get their feet on the ground on account of the elements. Where are those fellows going to be? They are not established ranchers. If you look at it from the standpoint of making a profit, they do not have a good operation. They owe the banks now. Are you going to kick them out under this section? If you do, you are running the risk of kicking them clear out from under this bill, because even though it could be argued that they get their rights under the first section of the bill, under the laws of statutory construction, when you move into a field and make certain expressions about it you knock out everything else. Now you may have confined the livestock loans in this bill to special livestock loans and you are running a big risk of knocking those little fellows clear out of the picture for even a \$500 loan or \$1,000 loan, if you put this language in there like it is written presently in the bill. I think it should be changed to read exactly as I have said. The matter is entirely within the discretion of the committee that is set up in this bill, and certainly if you are going to trust that committee to make loans up to \$50,000, you should be willing to trust them to determine whether or not a man in the cattle business is capable of maintaining a successful operation. Unless this change is made, I warn you that great injustices could result that will do damage to young people just starting out in life.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. GOLDEN].

Mr. GOLDEN. Mr. Chairman, I was very much concerned a few moments ago about the remarks made by the gentleman from Mississippi [Mr. WHITTEN] whether or not the purpose of these loans was to be for refinancing and possibly assisting the bankers in these drought-stricken areas. I would like to say for the benefit of the gentleman from Mississippi and any other Member who is justly concerned about this—and I might remark that the gentleman from Mississippi [Mr. WHITTEN] has made valuable contributions to the agriculture of this Nation—that we discussed that very problem in the committee. It was the desire and the intention of the committee that this money, by and large, should not be used for the purpose of refinancing these bank loans. We did not write that into the bill itself or spell it out, but there is a section in the report which I think clearly reveals the intent of Congress that these loans shall not be used for the purpose of refinancing. They can be used in the ordinary way to pay incidental-store accounts and

electric bills and assist these people who have been hard put for several months, but it certainly is not the intention of the committee, and I hope that it will not be the intention of the Members of Congress, that this money shall be used to refinance the banks in that section. I hope the gentleman from Mississippi will be satisfied with that explanation.

On the measure as a whole, we have heard some very fine and eloquent remarks about the fundamental purposes of the Government of the United States, about people taking care of themselves, and the rights of the States. We heard the very eloquent remarks of the gentleman from Texas [Mr. DIES] in which he said that he felt the people themselves on a local basis and the people on a State basis ought to meet these problems when they present themselves. I sat in this committee day in and day out and heard the evidence that revealed a major disaster that extended over 6 or 7 of these Southwestern States. It is not a matter that is confined to any one State. I think it is the function of the Federal Government, when there is a great emergency, and when the local people have exhausted every means and they cannot help themselves—I think it is the primary function of the Federal Government to afford relief to its people here in the United States. You have heard that this drought area is more than 500 miles across. Many millions of cattle and thousands of farmers and ranchers are affected. Cattle prices have broken in all the livestock markets of the United States. If the foundation herds throughout this vast area are permitted to starve to death it will constitute a major disaster and a lasting damage to the whole economy of the United States.

This bill provides for loans—not gifts—and sufficient safeguards are written in the bill to insure repayment with interest. Recently we made a gift of about \$95 million of wheat to a foreign nation. No one came before our committee from the great States of the Southwest and asked us to give them anything. All they want is some credit so they can help themselves. Time, these loans, and a little rain will save this vast area, and it can go on contributing to the general strength and stability of this country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ROGERS].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. HARRISON].

I was one of the members of the committee to make the trip to view the disaster condition of the Great Southwest. The condition is much worse than I can describe. Not just cattle, but crops also.

Mr. HARRISON of Nebraska. Mr. Chairman, I was hopeful that we could make some consideration for those people in Texas and the rest of the drought-stricken area that is not included here in the case of cattle because we did fly over a portion of that area down there. We were told it was in the district of the gentleman from Texas [Mr. MAHON].

Those people are not cattle raisers, they are farmers, probably cotton farmers.

May I say that it was one of the most devastated areas I ever hope to see in my life. It looked as though it was a very fine farming area. It looked that way because of the fine homes we saw there, the nice houses, and the nice barns, but we saw no vegetation at all and we saw no life whatsoever. The sand looked as though it were piled up around the houses and the other buildings to a height of about 3 feet. The roads were drifted with sand and the fences were filled with sand and dirt.

I am sure the people in that part of the drought-stricken area are the very same kind of good citizens we find in every other part of the country. I am afraid this bill does not go quite far enough in helping the farmer in that area who needs help just as badly as does the person who is in the cattle business. I want to come to the aid of the person who is in the cattle business in that area, too, because I found the finest kind of citizens in that area that I ever hope to see any place, people who were trying to lift themselves by their own bootstraps.

I want to tell you how far they were going when they were trying to help themselves out of what to me was the worst situation that could occur in an area of that kind. I do not know whether or not you people who are away from the Midwest are familiar with how cattle are kept and what it takes to feed cattle, and what feed cattle do eat, but most of you have traveled at one time or another across the area of the desert and have seen desert cactuses growing. A desert cactus is a pearlike plant that grows with a great many thorns. An improvised torch is used to burn the thorns off of the plant and the cattle come along to eat this desert plant. I tell you this to indicate how far the people are going to help themselves over a disaster situation. I hope this emergency measure will pass without objection.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 6, line 13, after "prescribe", strike out the remainder of the paragraph and insert the following: "The program shall be administered by the Farmers' Home Administration as a part of the existing disaster-loan program."

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN] in support of his amendment.

(By unanimous consent, the time allotted to Mr. WILLIAMS of Mississippi was granted to Mr. WHITTEN.)

(Mr. WILLIAMS of Mississippi asked and was given permission to extend his remarks at this point.)

[Mr. WILLIAMS of Mississippi's remarks will appear hereafter in the Appendix.]

Mr. WHITTEN. Mr. Chairman, this amendment in my opinion will provide for better administration, will prevent duplication and expense and I do not believe it is contrary to the intent of the members of this Committee. It says this additional job will be handled by the folks now handling the job. Since 1949, we have had 4 years of very splendid experience by the Farmers' Home Administration in carrying on this relief or disaster loan program. The rate of collections has been excellent. The people who are on the committees of the Farmers' Home Administration in the average county have had 4 years of experience in passing on this type of matter, and they have done such a good job, I think, that under the present circumstances, this program should be handled in the way that we have handled it up to this point. That is all my amendment does. It strikes out the provisions setting up the committee of representatives of local financial institutions as a supervisory committee at a cost of \$75 per day. Having sat on the Appropriations Committee reviewing in detail the actual operations of this disaster loan program for the last 4 years, I say that one of the greatest problems they have had at the local level is to keep the local lending institutions from saddling on the Government loans that they have had outstanding and making the relief of the farmer secondary and now to set up a separate committee as the bill would do with representatives of local lending institutions would just increase that problem and would not minimize it. I say this with the friendliest feeling toward such institutions and if here we can help their borrowers it will also help them. By this amendment I merely strike out the part of the bill providing for the 3 representatives of the local lending institutions, so to speak, at \$25 a day, and say that this program, too, shall be handled as a part of the present disaster loan program by the present employees of the Government, with 4 years' experience. I do not believe there is a member of the legislative committee on agriculture who will not say that Mr. Lasseter and his organization has done a very splendid job. While unfortunately he personally is no longer head of that agency, the agency has had 4 years of experience in doing the job a good job. I say that this amendment should be adopted. It just gives back to that agency, or adds to it this enlargement of a program with which they are thoroughly familiar and on which they have done such a splendid job. I hope the Committee will go along with me on this amendment.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MARSHALL. I commend the gentleman from Mississippi on the hard work he has done in the Congress in holding down the number of Federal employees and in holding down the appropriations in the Department of Agriculture to necessary and commonsense amounts. But here again we find another indication of his interest in the matter of preventing

an increase in the number of Federal employees and of preventing increases in the agencies in the Department of Agriculture.

Mr. WHITTEN. I thank the gentleman. I want to say I think my amendment is in line with the intent of the legislative committee judging by what my friend, the gentleman from Colorado, and others have shown me in the statement from the department, but I think my amendment necessary to carry out that intent.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my good friend, the gentleman from Mississippi.

Mr. ABERNETHY. Since the gentleman from Minnesota has said what he did, I just wanted to assure him it is not the intention of the legislative committee of the House Committee on Agriculture to unduly increase the number of personnel in the Government, and particularly in the Department of Agriculture. I wonder if the gentleman has examined the hearings on this question, and particularly the language in the report on page 6 with regard to the servicing and the disbursing of these particular loans.

Mr. WHITTEN. I have read the hearings presented to me by my friend the gentleman from Colorado [Mr. HILL] and the statement itself is clear as to handling the details. However, I have found here that lots of things are much better in the law as against being in a committee report. I do think my amendment is in line with what the committee intended. On the other hand, if the Farmers' Home Administration merely does the bookkeeping and carries out the detailed work as against passing on the type and provisions of the original loan and the basis and terms on which it is made, they may be, under the provisions of this bill surrendering actual control to the representatives of the local lending institutions who have outstanding loans to these farmers and who might have conflicting interests.

Mr. ABERNETHY. I respect the gentleman's views and I agree with him that the Farmers' Home Administration has done a fine job. We are all interested in the Farmers' Home Administration. In fact, this committee created the Farmers' Home Administration, but I believe if the gentleman will go back and inspect the hearings and examine the testimony which unfortunately has not been printed because there was not time for them to be printed, and just see what exactly was said by the various and sundry witnesses about the very point that the gentleman raises, I think the gentleman himself would go along with what the committee recommended. This is one instance where I sincerely and personally entertain the belief that the committee has established by this bill what is vitally necessary to the proper servicing—not servicing, but making—of these loans. That is my honest feeling.

Mr. WHITTEN. I can fully appreciate the attitude of my colleague. I know he is sincere and knows this subject. If I had sat through the hearings, I might

have a different view. However, our committee does deal with the actual operations of all the laws affecting agriculture. Once each year I have reviewed in detail the actual operations of the disaster-loan program, have reported to the Congress on such operations with recommendations as to the money to be appropriated. I believe if you have something that is good, that is sound, with a proven record of successful operation, it is well to be afraid of innovation, especially where, notwithstanding the good intentions of the members of the committee, it would appear that this Committee on Loans, composed of representatives of local lending institutions, at a cost of \$75 per day, supervise and handle to a considerable extent the terms and conditions of Government loans to persons in debt perhaps to the same institution. Even if you believe that such a procedure is sound, why spend the extra money for a new and additional local board at \$75 per day?

Some folks here have said these particular borrowers want to borrow from the Government without having to go to a Government agency; that they had rather deal with representatives of their own local banks. As to that I do not know. Others go to the Government agency. At least I cannot see why we should spend this extra money for that reason. I hope the amendment will be adopted.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe it would be a great mistake to adopt the amendment which has been proposed by my distinguished friend from Mississippi [Mr. WHITTEN]. I share with him the feeling that the Farmers' Home Administration has done a splendid job, but it has been operating in a field which is completely outside of most of the loans that will be made under this provision. The title of this subsection itself indicates that because it is entitled "Special Livestock Loans." These are matters with which the Farmers' Home Administration have not been dealing. They have been making loans to small farmers. This type of loan goes up to \$50,000 or more, whereas the loan limit of the Farmers' Home Administration is \$7,000. It will be an entirely different type of loan. The Farmers' Home Administration will do most of the work in making these loans, but they will have the benefit of the advice and counsel of this special committee which must approve them. The Farmers' Home Administration will process the loans. They will tentatively approve them and then they must be approved by this special committee. If they are more than \$50,000, they must be approved by the Secretary.

I do not believe in a situation of this kind, which is difficult at best, that we should deprive ourselves of the opportunity of getting the services of the best people we possibly can in every area to deal with these loans. Let us use the Farmers' Home Administration. In addition, let us use the brains and experience of the people in the area who are familiar with livestock loans and can give good advice on that matter.

I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was rejected.

The CHAIRMAN. The gentleman from Montana [Mr. D'Ewart] is recognized.

Mr. D'Ewart. Mr. Chairman, I want to join with the others in supporting this legislation today and to express my appreciation to this committee for bringing out this bill.

My State is not suffering from drought this year. In fact, we have had excellent rains, good crops, good grain, and good grass. However, a few years ago, in the thirties, we went through 7 years of drought, one year after another, dry hot winds, crops dried up, farmers running out of seed, livestock being moved out. The families who lived there did not have enough to eat and finally they had to move out.

It is a terrible thing when a drought hits an area. There is nothing that the farmer himself can do about it. There is no way he can alleviate this situation. It is a disaster over which he has no control.

I am therefore glad to see this committee come to the relief of these people that I know from experience are suffering, not only physically but mentally and financially.

We are suffering in my State from a fall in cattle prices. It started 2 years ago and lasted up until a few days ago. We are hoping the action taken by this great committee will be helpful in livestock prices. A break in livestock prices does not compare to a drought disaster that hits a farmer, his family, his children, and the wife, and their whole way of living. When the hot winds come his crops dry up and his family goes hungry.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. D'Ewart. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I think the gentleman will realize that although the drought has not hit his area, the depression in cattle prices has been brought about by the dumping of cattle from the drought areas onto the market.

Mr. D'Ewart. That dumping has made the price break much worse than it would have been otherwise.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. D'Ewart. I yield.

Mr. EDMONDSON. Mr. Chairman, I want to join my friend in expressing thanks to the Committee on Agriculture for the nonpartisan and speedy action which they have taken in bringing before us this legislation to help meet the disaster of drought in our country.

I only hope the executive branch of our Government will move just as speedily to extend this program to areas also suffering from the effects of drought, and not yet covered by the proclamation.

In my own Second District of Oklahoma, there are widespread and disastrous effects of drought and falling cattle prices, and many farmers and cattlemen have requested that our section

be included in this proclaimed area. The State's Acting Governor, the Honorable Raymond Gary, has requested inclusion of the entire State in the drought disaster zone.

We are hopeful that passage of this bill will be quickly followed by Executive action to make this program available to eastern Oklahoma.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, I cannot let this opportunity escape me to express my confidence and appreciation to the Committee on Agriculture, which has done such an excellent job in bringing this legislation before us. I take great solace in the fact that the chairman of the committee, Mr. HOPE, a really great Member of the House, has assured the House that if this legislation is not successful, other legislation will be brought before us.

There was considerable amusement during the debate on the rule about Texans asking for aid, and some people made some rather derogatory remarks about Texas. I think it would be apropos for me to tell you that even in the face of this catastrophe Texans have, characteristically, found some means of turning this dire disaster into a source of amusement. Texans, as you all know, do not scare easy.

The story goes that when Secretary Benson was down there he was looking over the property of a poor old farmer. In talking with him he tried to find something optimistic to say to him. He saw a couple of fleecy clouds up in the blue sky, and he said: "Well, there is a couple of clouds; perhaps they will bring you rain."

The old farmer looked up, squinted out of the corner of his eye, and said: "Mr. Secretary, them clouds has been going back and forth from the Gulf of Mexico for the last 4 months. They are just coming back today to get another load of sand."

Texans do not give up easily, and we do not come easily to Washington asking for help, but in this instance we think this is a national disaster and that, unless relief is granted here in the form of credit, this emergency will spread until every area of the Nation is affected, and we believe that this emergency legislation, if it can be termed such—and I consider it to be so—should be enacted immediately in order to prevent the spread of economic depression.

Again I would like to thank the chairman of the committee and the members of the committee who have done such a magnificent job in bringing this legislation before us. I hope it may be enacted soon so that we may give needed help to those who are suffering the most in the southwestern part of the United States.

Mr. MARSHALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL: Page 5, line 21, after the words "of this subsection loans", strike out "for \$2,500 or more."

Mr. MARSHALL. Mr. Chairman, I have offered this amendment because I believe that it will avoid some difficulty. Loans are made upon the availability of funds. The distinguished chairman of the Committee on Agriculture pointed out that the Farmers' Home Administration had available funds for making these loans; however, that is based upon an availability of funds, and in the distribution of funds it is often difficult to distribute those funds.

What my amendment does is to strike out the sum \$2,500. This will eliminate the possibility of such a case as this happening: Where a man may come in and request a loan of \$1,500 and the agency will say that there are no funds available to make a loan of \$1,500 but you go over to this committee that is making this new type of disaster loan and they will lend you \$2,500. That is the only alternative some of those people will have at such time. To grant a loan over and above what the applicant needs because it is the only way they can possibly grant a loan.

I would like to say in passing that we are talking about a small and large farmer, that this has very little to do with that; this is a small and a large loan that we are dealing with. You might have a rancher worth \$100,000 who needs only \$500 to tide him over because his credit has been extended. He would come in under this phase of loan. You may have a small farmer in the livestock business who might require \$2,600. He goes to the other source.

My amendment in striking this language out has attempted to make it administratively practical to handle these loans.

I yield at this time to the distinguished chairman of the Committee on Agriculture.

Mr. HOPE. I am cognizant of what the gentleman has in mind, but I hope his amendment does not prevail because the man he is thinking about is well taken care of, not only under this legislation but under the general Farmers' Home Administration legislation.

Mr. MARSHALL. That is based upon availability of funds, is it not?

Mr. HOPE. That is true, but I have no reason to believe that funds will not be available. The special funds that will be available in the drought areas should take the load off the amount of funds to be loaned in other areas, making more funds available for that purpose.

Mr. MARSHALL. I hope my amendment will be agreed to.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota.

Mr. Chairman, I believe it would be a great mistake to adopt this amendment. This is a special loan proposition. It deals with a special situation. There is ample provision under other legislation, and in this bill for farmers in and out of disaster areas who need Farmers' Home Administration type loans. It would very largely vitiate the purpose for which these special loans are made if we should adopt this amendment. Furthermore it would create very serious administrative difficulties.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all Members who have spoken on this bill today may have permission to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MARSHALL].

The question was taken; and on a division (demanded by Mr. MARSHALL) there were—ayes 27, noes 46.

So the amendment was rejected.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARENDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, pursuant to House Resolution 325, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. HAYS of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER (after counting). One hundred and seventy-six Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 387, nays 4, not voting 38, as follows:

[Roll No. 82]

YEAS—387

Abbitt	Arends	Bennett, Fla.
Abernethy	Ashmore	Bennett, Mich.
Adair	Aspinall	Bentley
Addonizio	Auchincloss	Bentsen
Albert	Ayres	Berry
Alexander	Bailey	Betts
Allen, Calif.	Baker	Bishop
Allen, Ill.	Barden	Boggs
Andersen	Barrett	Boland
H. Carl	Battle	Bolling
Andresen	Beamer	Bolton
August H.	Becker	Frances P.
Andrews	Belcher	Bolton
Angell	Bender	Oliver P.

Bonin
 Bonner
 Bosch
 Bow
 Boykin
 Bramblett
 Bray
 Brooks, La.
 Brooks, Tex.
 Brown, Ga.
 Brown, Ohio
 Brownson
 Broyhill
 Buchanan
 Budge
 Burdick
 Burleson
 Busbey
 Bush
 Byrd
 Byrne, Pa.
 Byrnes, Wis.
 Camp
 Campbell
 Cannon
 Carlyle
 Carnahan
 Carrigg
 Cederberg
 Celler
 Chatham
 Chelf
 Chenoweth
 Chipfield
 Church
 Clevenger
 Cole, Mo.
 Colmer
 Condon
 Coon
 Cooper
 Corbett
 Cotton
 Coudert
 Cretella
 Crosser
 Crumpacker
 Curtis, Mass.
 Curtis, Mo.
 Curtis, Nebr.
 Dague
 Davis, Ga.
 Davis, Tenn.
 Davis, Wis.
 Dawson, Ill.
 Dawson, Utah
 Deane
 Delaney
 Dempsey
 Derounian
 Devereux
 D'Ewart
 Dies
 Dodd
 Dollinger
 Dondero
 Donohue
 Donovan
 Dorn, N. Y.
 Dorn, S. C.
 Dowdy
 Doyle
 Eberharter
 Edmondson
 Elliott
 Engle
 Evins
 Fallon
 Feighan
 Fenton
 Fernandez
 Fine
 Fino
 Forand
 Ford
 Forrester
 Fountain
 Frelinghuysen
 Friedel
 Fulton
 Gamble
 Garmatz
 Gary
 Gathings
 Gavin
 Gentry
 George
 Golden
 Goodwin
 Gordon
 Graham
 Grant
 Green
 Gregory

Gross
 Gubser
 Gwinn
 Hagen, Calif.
 Hagen, Minn.
 Hale
 Haley
 Halleck
 Hand
 Harden
 Harris
 Harrison, Nebr.
 Harrison, Va.
 Harrison, Wyo.
 Hart
 Harvey
 Hays, Ark.
 Hays, Ohio
 Heller
 Herlong
 Heselton
 Hiestand
 Hill
 Hillelson
 Hoeven
 Hoffman, Ill.
 Hoffman, Mich.
 Hollifield
 Holmes
 Holt
 Holtzman
 Hope
 Horan
 Hosmer
 Howell
 Hruska
 Hunter
 Hyde
 Ikard
 Jackson
 James
 Jarman
 Javits
 Jenkins
 Jensen
 Jonas, Ill.
 Jonas, N. C.
 Jones, Ala.
 Jones, Mo.
 Jones, N. C.
 Judd
 Karsten, Mo.
 Kean
 Kearney
 Kearns
 Keating
 Kee
 Kelley, Pa.
 Kelly, N. Y.
 Keogh
 Kilburn
 King, Calif.
 Kirwan
 Klein
 Kluczyński
 Knox
 Krueger
 Lalrd
 Landrum
 Lane
 Lanham
 Lantaff
 Latham
 LeCompte
 Lesinski
 Long
 Love
 Lucas
 Lyle
 McCarthy
 McConnell
 McCormack
 McCulloch
 McDonough
 McGregor
 McIntire
 McMillan
 Machrowicz
 Mack, Ill.
 Mack, Wash.
 Madden
 Magnuson
 Mahon
 Mailliard
 Marshall
 Martin, Iowa
 Matthews
 Meader
 Merrill
 Merrrow
 Metcalf
 Miller, Calif.
 Miller, Kans.
 Miller, Md.

Miller, Nebr.
 Miller, N. Y.
 Mills
 Mollohan
 Morano
 Morrison
 Moss
 Moulder
 Multer
 Mumma
 Murray
 Neal
 Nicholson
 Norblad
 Norrell
 Oakman
 O'Brien, Ill.
 O'Brien, N. Y.
 O'Hara, Ill.
 O'Hara, Minn.
 O'Konski
 O'Neill
 Osmer
 Ostertag
 Passman
 Patman
 Patten
 Patterson
 Pelly
 Perkins
 Pfost
 Philbin
 Phillips
 Pilcher
 Pillion
 Poage
 Poff
 Polk
 Preston
 Price
 Priest
 Prouty
 Rabaut
 Radwan
 Rains
 Ray
 Rayburn
 Reams
 Reece, Tenn.
 Rees, Kans.
 Regan
 Rhodes, Ariz.
 Rhodes, Pa.
 Richards
 Riehlman
 Riley
 Roberts
 Robeson, Va.
 Robson, Ky.
 Rodino
 Rogers, Colo.
 Rogers, Fla.
 Rogers, Mass.
 Rogers, Tex.
 Rooney
 Roosevelt
 Sadlak
 St. George
 Saylor
 Schenck
 Scherer
 Scott
 Scrivner
 Scudder
 Secrest
 Seely-Brown
 Selden
 Sheehan
 Shelley
 Sheppard
 Short
 Shuford
 Sleminski
 Simpson, Ill.
 Simpson, Pa.
 Small
 Smith, Kans.
 Smith, Miss.
 Smith, Va.
 Smith, Wis.
 Spence
 Springer
 Staggers
 Stauffer
 Steed
 Stringfellow
 Sullivan
 Sutton
 Taber
 Talle
 Taylor
 Teague
 Thomas
 Thompson, La.

Thompson, Mich.
 Thompson, Tex.
 Thornberry
 Tollefson
 Trimble
 Tuck
 Utt
 Van Pelt
 Van Zandt
 Velde
 Vinson
 Vorys

Clardy
 King, Pa.

NAYS—4

Mason

NOT VOTING—38

Bates
 Blatnik
 Buckley
 Canfield
 Case
 Chudoff
 Cole, N. Y.
 Cooley
 Cunningham
 Dingell
 Dolliver
 Durham
 Ellsworth

Fisher
 Fogarty
 Frazier
 Granahan
 Hardy
 Hébert
 Hess
 Hillings
 Hinshaw
 Johnson
 Kersten, Wis.
 Kilday
 McVey

Wier
 Williams, Miss.
 Williams, N. Y.
 Willis
 Wilson, Tex.
 Winstead
 Withrow
 Wolcott
 Yates
 Yorty
 Young
 Younger
 Zablocki

Reed, N. Y.

Morgan
 Nelson
 O'Brien, Mich.
 Powell
 Reed, Ill.
 Rivers
 Shafer
 Sikes
 Wigglesworth
 Wilson, Calif.
 Wilson, Ind.
 Wolverton

So the bill was passed.

The Clerk announced the following pairs:

Mr. Wigglesworth with Mr. Hébert.
 Mr. Bates with Mr. Cooley.
 Mr. Kersten of Wisconsin with Mr. Durham.
 Mr. Wolverton with Mr. Fogarty.
 Mr. McVey with Mr. Powell.
 Mr. Dolliver with Mr. Buckley.
 Mr. Ellsworth with Mr. Sikes.
 Mr. Nelson with Mr. Dingell.
 Mr. Reed of Illinois with Mr. Granahan.
 Mr. Wilson of Indiana with Mr. Chudoff.
 Mr. Hinshaw with Mr. Morgan.
 Mr. Wilson of California with Mr. Fisher.
 Mr. Hillings with Mr. Blatnik.
 Mr. Canfield with Mr. Hardy.
 Mr. Cole of New York with Mr. Kilday.
 Mr. Hess with Mr. Frazier.
 Mr. Cunningham with Mr. Rivers.
 Mr. Shafer with Mr. O'Brien of Michigan.

So the bill was passed.

Mr. COUDERT changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

SUBCOMMITTEE NO. 2 OF THE COMMITTEE ON THE JUDICIARY

Mr. HYDE. Mr. Speaker, I ask unanimous consent that Subcommittee No. 2 of the Committee on the Judiciary may be permitted to hold hearings for 1 hour tomorrow morning while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXCESS-PROFITS TAX EXTENSION

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 326, Rept. No. 757), which was referred to the House Calendar, and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective. After general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, and the previous question shall be considered as ordered on the bill to final passage without intervening motion, except one motion to recommit.

GENERAL LEAVE TO EXTEND

Mr. HOPE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H. R. 6054.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

NIAGARA FALLS AND RIVER

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 322 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi [Mr. COLMER] and yield myself such time as I may use.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 13, 1953

For actions of July 10 and 11, 1953

83rd-1st; Nos. 127 and 128

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House received conference reports on drought-relief and mutual security bills. House Rules Committee cleared FCA-reorganization and customs-simplification bills. House passed bill authorizing surplus-property use for disaster relief. House passed excess-profits tax bill. House committee reported supplemental appropriation bill. Senate passed second independent offices appropriation bill. Senate agreed to investigation of unfit-wheat imports. Senate committee reported wheat-quotas bill. Senate leader announced wheat-agreement debate for today.

SENATE - July 10

APPROPRIATIONS. Passed with amendments H. R. 5690, the second independent offices appropriation bill for 1954, which includes funds for the Tennessee Valley Authority, Veterans' Administration, and Selective Service System (pp. 8742-84). Senate conferees were appointed (p. 8784). Agreed to a committee amendment "to clarify the proviso that the cutting off of the 4 percent gratuity on loans to veterans for the purchase or construction of homes, farms and business property by September 1, 1953, would not apply to loans previously made." Agreed to a committee provision that under any contract between a State or its subdivision and the Veterans' Administration for on-farm training, etc., the State or subdivision shall not be liable for disallowed subsistence allowances unless the State or subdivision shared in the blame. Agreed to a modified Cooper amendment to increase funds by \$1,350,000 for resource development by TVA. Rejected a Kefauver amendment increasing TVA by \$30,000,000. The committee report states the following regarding TVA: "The committee directs the Authority by the end of the fiscal year 1954 to turn over to Federal, State, or local governments or public or private agencies the responsibility for continuing their respective parts of the resource development program."

2. WHEAT. The Agriculture and Forestry Committee reported with amendments H. R. 5451, to amend the wheat marketing quota law (S. Rept. 520) (p. 8730). The "Daily Digest" states: "The major amendment approved by the committee would decrease from 66 to 61 million acres the minimum 1954 wheat acreage allotment" (p. D684).

This bill was made the unfinished business (p. 8792).

Agreed, without amendment, to S. Res. 127, to authorize the Agriculture and Forestry Committee to investigate importation of unfit wheat from Canada (p. 8786).

Sen. Knowland announced that it is intended to debate the International Wheat Agreement today (p. 8749).

Foreign

3. FOREIGN TRADE. The Interstate and Commerce Committee reported without amendment S. Con. Res. 40, favoring the placing of the inscription "United States of America" on containers of American-made goods for export (S. Rept. 514)(p.8733).

HOUSE - July 10

4. DROUGHT RELIEF. Received the conference report on H. R. 6054, the drought-relief bill (H. Rept. 769)(pp. 8703-4). The conference substitute in general follows the provisions of the House version. The following were among the actions of the conferees: Inserted "established" before "farmers and stockmen". Struck out the limitation that local loan committees must be appointed from local financing institutions and livestock operators. Adopted the House provision for emergency assistance in furnishing feed and seed except that the specific authorization to waive payment was eliminated. Restored the authority for the Secretary to use any part of the Department in carrying out the bill. Restored the Senate provision on security for loans.
5. FOREIGN AID. Received the conference report on H. R. 5710, to extend and amend the Mutual Security Act (H. Rept. 770)(pp. 8720-6). The conferees agreed upon an authorization of \$5,157,232,500, compared with a House figure of \$4,998,732,500 and a Senate figure of \$5,318,732,500. Agreed to a modified version on use of surplus agricultural commodities requiring that, of the funds authorized, not less than \$100,000,000 and not more than \$250,000,000 "shall be used directly or indirectly, to finance the purchase of surplus agricultural commodities." (The House conferees' statement says the provision for "indirect" financing "is to permit reimbursement of the Commodity Credit Corporation for commodities supplied from its stocks.") Under the modified provision, sale of agricultural surpluses for local currencies is authorized, and such currencies are to be kept in a special U. S. account and may be utilized for the purposes set forth in the legislation without appropriation by Congress; local currencies so acquired may be spent only for the purposes of the Mutual Security Act; and special precautions are to be taken to prevent disposing of surpluses in a manner which would displace normal market arrangements and to insure that maximum use will be made of private trade channels.
6. FCA REORGANIZATION; FOREIGN TRADE; FOOD INSPECTION. The Rules Committee reported resolutions providing for the consideration of H. R. 4353, the FCA reorganization bill; H. R. 5877, the customs-simplification bill; and H. R. 5740, to amend the Federal Food, Drug, and Cosmetic Act, providing for certain authority for factory inspection (p. 8727).
7. RESEARCH. Received from this Department a proposed bill to amend the Bankhead-Jones Act so as to broaden the authority to carry on research under contract; to Agriculture Committee (p. 8727). The Senate received this proposed legislation on July 11; to Agriculture and Forestry Committee (p. 8794).
8. TAXATION. Passed without amendment, 325-77, H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (pp. 8665-701).

NO TAKERS YET

A different viewpoint was expounded by Dr. Chauncey Starr, director of the atomic energy research department of North American Aviation, a company that recently advertised its ability to build an experimental nuclear powerplant for anybody for \$10 million. He told the committee, in response to questions, that this company has had no takers yet.

"It is our belief," he said, "that a reactor program which would provide pilot plant experience would require approximately 5 years and have a total cost of about \$10 million, including the cost of development.

"Following such a program, it would then be proper to consider the construction of a full-scale plant which could reasonably be expected to compete with the cost of power from conventional plants at that time, to construct and place in operation such a full-scale plant would require probably another 5 years."

Dr. Karl Cohen, vice president of the Walter Kidde Nuclear Laboratories, of Belleville, N. J., and John R. Menke, president of Nuclear Development Associates, of White Plains, N. Y., likewise differed with Dr. Zinn and Dr. Weinberg on the capability of private industry to develop industrial power without Government subsidy, beyond the use of the existing national laboratories and their research conclusions.

And now, Mr. Speaker, from the Evening Star of July 10 we find the following:

DAY OF ATOMIC POWER FAR OFF, TWO BIGGEST CONTRACTORS STATE

(By Thomas R. Henry)

A warning that economically feasible atomic power is a long way off has been sounded by two of the major business organizations in the field.

The warning was given in testimony before the Joint Committee on Atomic Energy yesterday by officials of General Electric Co. and Westinghouse Electric Corp., who from the first have been top contractors both of the wartime Manhattan District and later of the Atomic Energy Commission.

Both companies have built atomic submarine propulsion engines, the only application of atomic energy as a source of power yet entirely successful. Westinghouse had made considerable progress toward atomic propulsion for surface ships when the project was suspended by the Navy.

CONTRASTS WITH OTHERS

On the basis of this hard experience, the testimony from the 2 corporations, maintaining 2 of the largest scientific and engineering staffs in the world, was quite in contrast to that from representatives of corporations, chiefly in the public-utility field, whose experience has been limited practically to examining blueprints.

"I certainly would advise any company talking about risking seventy-five to one hundred million dollars of its stockholder's money to take a second look," said Charles H. Weaver, manager of Westinghouse's atomic power division, which has been chiefly involved in the naval projects.

Westinghouse, he said, would not consider putting up any of its own money in an atomic energy plant for providing industrial power. Its previous operations have been entirely financed by the Government. President Gwilym A. Price of the corporation said it actually had made a considerable sacrifice in diverting so much of its scientists and engineering manpower to atomic projects. This has kept it behind on jet engine development and on several purely civilian projects.

COST PUT AT \$100 MILLION

The cost of a plant providing industrial power, it was testified, would run around

\$100 million at the least. Power company estimates have run from \$50 million to \$75 million.

In informal discussions among themselves. Westinghouse officials have said that even if the Government guaranteed 100 percent costs, the corporation would hesitate to take on the contract to build such a plant, Mr. Price said.

Still, it was testified, Westinghouse is investing \$2 million in a plant to build equipment for atomic energy power stations, indicating it is not entirely pessimistic about the future.

Testimony of Dr. F. K. McCune, general manager of the atomic products division of General Electric, was little more optimistic.

Mr. McCune said the day of industrial atomic energy might be hastened by release of restricted information and Congress must balance this advantage against slower progress and greater security.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to ask the gentleman from Indiana [Mr. HALLECK] what the program will be next week.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HALLECK. Mr. Speaker, I am happy to respond to the inquiry of the distinguished minority leader. We expect to adjourn over from this evening until Monday at 12 o'clock.

Monday is District of Columbia day, but I understand there are no bills likely to be reported from that committee for consideration.

We expect to call up the bill H. R. 5877, the customs simplification bill.

A conference report on the MSA authorization (H. R. 5710) has been filed and we expect to dispose of that on Monday after the customs simplification measure is disposed of. I might say in passing it is my understanding that the conference report on the MSA authorization has been unanimously agreed to. There might be some controversy, but at the moment I do not anticipate any.

On Tuesday we have the primaries in the State of Virginia. All of the Members from Virginia expect to be down in their State at that time. We will begin general debate on the supplemental appropriation bill, then take up for final action H. R. 6078, which is the bill giving aid to federally impacted schools for maintenance and operation. If there is any record vote called for on Tuesday on that measure we will carry it over until Wednesday, in view of the situation in Virginia.

On Wednesday and for the balance of the week, first we shall continue the appropriation bill, and then we hope to call up, but not necessarily in this order, bills as follows, on which rules have been reported: H. R. 5740, factory inspection; H. R. 4353, farm credit, and H. R. 116, the fireworks bill. If rules are granted, as quickly as possible we will consider H. R. 5894, Trade Agreements Extension Act, 1953; House Joint Resolution 203, International Trade Fair; H. R. 157, having to do with excise taxes

on moving picture theater admissions; H. R. 356, Railroad Retirement Act, amendments thereto; and H. R. 5406, construction of buildings for Federal agencies.

Of course, conference reports are in order at any time. I have been informed that it is expected that several of the appropriation bills that have been passed by both bodies will be gotten to conference, and we trust that conference reports will be coming in starting by the latter part of next week. We hope to call up those conference reports as rapidly as we can. If there is any additional program, I shall announce it as quickly as possible and inform the minority leader about it.

Mr. RAYBURN. I thank the gentleman.

PERSONAL ANNOUNCEMENT

Mr. SHEPPARD. Mr. Speaker, I was downtown on official business during the vote on the excess-profits tax bill. Had I been present I would have voted "aye."

COMMITTEE ON AGRICULTURE

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on H. R. 6054.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. 769)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That section 2 of the Act of April 6, 1949 (63 Stat. 43), as amended, is hereby further amended as follows:

"(A) After the second sentence of subsection (a) add the following new subsections:

"ECONOMIC DISASTER LOANS

"(b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 1855), as amended, to make loans to established farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"(c) For a period of two years from the effective date of this subsection loans for

\$2,500 or more may be made to established producers and feeders of cattle, sheep, and goats (not including operators of commercial feed lots) who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of three years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 per centum per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this Act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

“EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

“(d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended, to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time and under such terms and conditions as the Secretary may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and shall reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for costs and administrative expenses necessary in performing such functions.”

“AMENDMENTS TO EXISTING PROVISIONS

“(B) The last sentence of subsection (a) is designated as subsection (e) and a comma and the word ‘reimbursement’, shall be inserted after the word ‘loans’ where it first appears in said subsection.

“(C) The letter ‘(a)’ in the last clause of subsection (b) is deleted, the subsection is redesignated as subsection (f), and there shall be added at the end thereof the following new sentence: ‘There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine.’

“Sec. 2. Loans under this act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 percent of the

stock or other interest in the corporation or organization.”

And the Senate agree to the same.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
HAROLD D. COOLEY,
W. R. POAGE,

Managers on the Part of the House.

GEORGE D. AIKEN,
EDWARD J. THYE,
BOURKE B. HICKENLOOPER,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H. R. 6054 to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House bill and inserted a substitute amendment. The committee of conference has agreed to recommend that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and the Senate amendment.

The conference substitute follows in general the provisions of the House bill. Except for minor and clarifying changes, the differences between the conference substitute and the bill as passed by the House are explained below:

ECONOMIC DISASTER LOANS—SUBSECTION (B)

The conference substitute is identical with the provisions of the House bill except that the word “established” has been inserted ahead of the words “farmers and stockmen” to make it clear that these loans are to be available only to established farmers and stockmen.

SPECIAL LIVESTOCK LOANS—SUBSECTION (C)

The conference substitute for this section differs in four respects from the House bill:

1. The House bill provided that these loans could be made to “ranchers or stockmen”. The conference substitute strikes out the words, “ranchers or stockmen” and inserts in lieu thereof, “producers and feeders of cattle, sheep, and goats (not including operators of commercial feed lots).”

2. The House bill provides that the loans may be made for a period of three years “but may be renewed”. The substitute strikes out the words “but may be renewed” as surplusage. The Senate amendment did not contain these words and the committee of conference agreed with the interpretation contained in the Senate report that even without this provision the loans might be renewed as necessary.

3. The word “also” has been inserted in the sentence providing that loans exceeding \$50,000 “shall be approved by the Secretary.” The purpose of this is to make it clear that such loans are to receive the same consideration by local and State loan committees as will be given loans under \$50,000 but that they must, in addition, be approved by the Secretary.

4. The conference substitute strikes out the limitation that local loan committees must be appointed from local financing institutions and livestock operators, which was contained in the House bill. As recommended by the committee of conference, this provision will now permit the Secretary to appoint the local loan committee from any local persons “having recognized knowledge of the livestock industry.”

EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED—SUBSECTION (D)

The Senate amendment did not contain this subsection. The substitute agreed to by the committee of conference has reinstated the subsection as adopted by the House, with two major changes:

1. The House bill authorized the Secretary to provide feed and send in major disaster areas and to “waive payment in whole or in part if in his judgment circumstances so require.” The committee of conference understands that the only circumstances under which the Secretary of Agriculture would presently consider furnishing feed or seed entirely without payment would be in those cases where the identity of the responsible recipients could not be determined, as for example where livestock might be driven from their home pastures by flood or other conditions and might have to be fed as a commingled group until they could be separated and their ownership reestablished. Since the Secretary has the authority to take such action without the specific provision that he may waive payment, the inclusion of this provision in this bill appeared to be unnecessary. As the revised sentence reads in the conference substitute, the Secretary of Agriculture is authorized to provide feed or seeds “for such period or periods of time and under such terms and conditions as the Secretary may determine to be required by the nature and effect of the disaster.”

2. As passed by the House, this subsection authorized the Secretary to utilize the personnel, facilities, property, and funds of the Commodity Credit Corporation, the Farmers’ Home Administration, and the Production and Marketing Administration in carrying out the feed and seed distribution activities. It was pointed out in the committee of conference that the Secretary might very well need to utilize also the assistance of the Soil Conservation Service, the Extension Service, the Forest Service, or some other agency of the Department than the three named in the House bill. The substitute amendment recommended by the committee of conference, therefore, authorizes the Secretary to use any agency of the Department in carrying out the provisions of this section of the act. The Secretary is required to reimburse the agencies and is authorized to use the disaster loan revolving fund for that purpose.

FINANCIAL RESPONSIBILITY—SECTION 2

The committee of conference has included in the conference substitute a provision (section 2) of the Senate amendment which did not appear in the House bill. The committee recognizes that adequate security will not ordinarily be available for the type of emergency loan authorized by this bill. It believes, however, that producers obtaining such loans should be required to pledge whatever available security they might have and that, in the case of corporations, partnerships, or other business organizations, the personal obligations of the principal stockholders or interested parties should be obtained. It is recognized that even this provision cannot cover every situation in which some security might be available to the Government and it is contemplated that the Secretary of Agriculture will exercise due diligence to obtain such additional security as the circumstances warrant.

CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,
HAROLD D. COOLEY,
W. R. POAGE,

Managers on the Part of the House.

FARM CREDIT ACT OF 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following

EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

JULY 10, 1953.—Ordered to be printed

Mr. HOPE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 6054]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That section 2 of the Act of April 6, 1949 (63 Stat. 43), as amended, is hereby further amended as follows:*

(A) *After the second sentence of subsection (a) add the following new subsections:*

"ECONOMIC DISASTER LOANS

"(b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 1855), as amended, to make loans to established farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"(c) For a period of two years from the effective date of this subsection loans for \$2,500 or more may be made to established producers and feeders of cattle, sheep, and goats (not including operators of commercial feed lots) who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of three years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 per centum per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this Act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

"(d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 1855), as amended, to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time and under such terms and conditions as the Secretary may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and shall reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for costs and administrative expenses necessary in performing such functions."

AMENDMENTS TO EXISTING PROVISIONS

(B) The last sentence of subsection (a) is designated as subsection (e) and a comma and the word "reimbursement", shall be inserted after the word "loans" where it first appears in said subsection.

(C) The letter "(a)" in the last clause of subsection (b) is deleted, the subsection is redesignated as subsection (f), and there shall be added at the end thereof the following new sentence: "There is hereby authorized

to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine."

SEC. 2. Loans under this Act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 per centum of the stock or other interest in the corporation or organization.

And the Senate agree to the same.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
HAROLD D. COOLEY,
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Managers on the Part of the House.

GEORGE D. AIKEN,
EDWARD J. THYE,
BOURKE B. HICKENLOOPER,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House bill and inserted a substitute amendment. The committee of conference has agreed to recommend that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and the Senate amendment.

The conference substitute follows in general the provisions of the House bill. Except for minor and clarifying changes, the differences between the conference substitute and the bill as passed by the House are explained below:

Economic disaster loans—Subsection (b)

The conference substitute is identical with the provisions of the House bill except that the word "established" has been inserted ahead of the words "farmers and stockmen" to make it clear that these loans are to be available only to established farmers and stockmen.

Special livestock loans—Subsection (c)

The conference substitute for this section differs in four respects from the House bill:

1. The House bill provided that these loans could be made to "ranchers or stockmen." The conference substitute strikes out the words, "ranchers or stockmen" and inserts in lieu thereof, "producers and feeders of cattle, sheep, and goats (not including operators of commercial feed lots)".

2. The House bill provides that the loans may be made for a period of three years "but may be renewed". The substitute strikes out the words "but may be renewed" as surplusage. The Senate amendment did not contain these words and the committee of conference agreed with the interpretation contained in the Senate report that even without this provision the loans might be renewed as necessary.

3. The word "also" has been inserted in the sentence providing that loans exceeding \$50,000 "shall be approved by the Secretary". The purpose of this is to make it clear that such loans are to receive the same consideration by local and State loan committees as will be given loans under \$50,000 but that they must, in addition, be approved by the Secretary.

4. The conference substitute strikes out the limitation that local loan committees must be appointed from local financing institutions

and livestock operators, which was contained in the House bill. As recommended by the committee of conference, this provision will now permit the Secretary to appoint the local loan committee from any local persons "having recognized knowledge of the livestock industry".

Emergency assistance in furnishing feed and seed—Subsection (d)

The Senate amendment did not contain this subsection. The substitute agreed to by the committee of conference has reinstated the subsection as adopted by the House, with two major changes:

1. The House bill authorized the Secretary to provide feed and seed in major disaster areas and to "waive payment in whole or in part if in his judgment circumstances so require". The committee of conference understands that the only circumstances under which the Secretary of Agriculture would presently consider furnishing feed or seed entirely without payment would be in those cases where the identity of the responsible recipients could not be determined, as for example where livestock might be driven from their home pastures by flood or other conditions and might have to be fed as a commingled group until they could be separated and their ownership reestablished. Since the Secretary has the authority to take such action without the specific provision that he may waive payment, the inclusion of this provision in this bill appeared to be unnecessary. As the revised sentence reads in the conference substitute, the Secretary of Agriculture is authorized to provide feed or seed "for such period or periods of time and under such terms and conditions as the Secretary may determine to be required by the nature and effect of the disaster".

2. As passed by the House, this subsection authorized the Secretary to utilize the personnel, facilities, property, and funds of the Commodity Credit Corporation, the Farmers' Home Administration, and the Production and Marketing Administration in carrying out the feed- and seed-distribution activities. It was pointed out in the committee of conference that the Secretary might very well need to utilize also the assistance of the Soil Conservation Service, the Extension Service, the Forest Service, or some other agency of the Department than the three named in the House bill. The substitute amendment recommended by the committee of conference, therefore, authorizes the Secretary to use any agency of the Department in carrying out the provisions of this section of the act. The Secretary is required to reimburse the agencies and is authorized to use the disaster loan revolving fund for that purpose.

Financial responsibility—Section 2

The committee of conference has included in the conference substitute a provision (see. 2) of the Senate amendment which did not appear in the House bill. The committee recognizes that adequate security will not ordinarily be available for the type of emergency loan authorized by this bill. It believes, however, that producers obtaining such loans should be required to pledge whatever available security they might have and that, in the case of corporations, partnerships, or other business organizations, the personal obligations of the principal stockholders or interested parties should be obtained. It is recognized that even this provision cannot cover every situation in which some security might be available to the government and it is contemplated that the Secretary of Agriculture will exercise due

diligence to obtain such additional security as the circumstances warrant.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
HAROLD D. COOLEY,
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Managers on the Part of the House of Representatives.





Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 14, 1953
For actions of July 13, 1953
83rd-1st, No. 129

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HIGHLIGHTS: Both Houses completed congressional action on drought-relief and foreign-aid bills. Senate ratified Wheat Agreement and passed measure to carry it out. Senate and House conferees were appointed on wheat marketing quota bill. Senate received Arnold nomination to FCA. House passed customs-simplification bill. House Rules Committee cleared supplemental appropriation bill. House committee reported bill to modify trade agreements law. Rep. Steed spoke in favor of livestock price supports.

SENATE

1. DROUGHT RELIEF. Both Houses agreed to the conference report on H. R. 6054, the drought-relief bill (pp. 8835-7, 8886-7). This bill will now be sent to the President.

WHEAT. Ratified Executive H, to revise and extend the International Wheat Agreement. The Agreement and an explanation of it are printed in the Record. (pp. 8890-912.)

Passed without amendment S. J. Res. 97, to provide for effectuation of the new International Wheat Agreement (pp. 8873, 8912).

Senate and House conferees were appointed on H. R. 5451, to amend the wheat marketing quota law (pp. 8834, 8887).

3. FOREIGN AID. Both Houses agreed to the conference report on H. R. 5710, to amend and extend the Mutual Security Act. The House vote was 221-109. (pp. 8938-40, 8861-8.) This bill will now be sent to the President. Sen. Wiley expressed regret that the authorization for ICEF was not larger (p. 8883).

Sen. Morse inserted a paper by E. J. Bell favoring "Aid By Trade" (pp. 8883-6).

4. NOMINATION of Carl Raymond Arnold to be FCA Governor was received (p. 8948).

5. POTATOES. S. 2124, relating to repacking of potatoes, was taken from the Interstate and Foreign Commerce Committee and referred to the Agriculture and Forestry Committee (p. 8880).

6. PRICE SUPPORTS. Sen. Langer inserted a Carson (N. Dak.) Commercial Club resolution favoring present price-support legislation (p. 8874).
7. TREATIES. Sen. Wiley criticized the Bricker resolution, to limit treaty powers, and inserted letters opposing it (pp. 8880-3).

HOUSE

8. APPROPRIATIONS. The Rules Committee reported a resolution for consideration of H. R. 6200, the supplemental appropriation bill, 1954 (p. 8872).
House conferees were appointed on H. R. 4974, the State, Justice, Commerce appropriation bill for 1954 (p. 8832); and H. R. 5246, the Labor-HEW appropriation bill for 1954 (p. 8834). Senate conferees have been appointed.
9. FOREIGN TRADE. Passed with amendment H. R. 5877, to amend certain administrative provisions of the Tariff Act of 1930 to simplify customs procedure (pp. 8837-61). Rejected a committee amendment to require that injury or threat of injury be proved by an industry before a countervailing duty would be imposed by the Treasury Department (pp. 8860-1). Rep. Scott said this amendment was opposed by wool and cotton groups, etc. (p. 8843).
The Ways and Means Committee reported without amendment H. R. 5894, to amend the Trade Agreements Extension Act to provide additional protection for American workers, farmers, etc. (H. Rept. 777) (p. 8872).
10. SMALL BUSINESS. Adopted H. J. Res. 294, making appropriations for the Small Defense Plants Administration for July 1953 (p. 8831).
11. PRICE DISCRIMINATION. Rep. Patman claimed there is a nationwide effort to fool the independent merchant as to his right to buy cooperatively under the Robinson-Patman Act (pp. 8868-9).

BILLS INTRODUCED

12. AGRICULTURAL ADJUSTMENT. H. R. 6257, by Rep. Hunter, and H. R. 6259, by Rep. Rhodes of Ariz., "to amend the Agricultural Adjustment Act of 1938"; to Agriculture Committee (p. 8872).
13. FOREIGN AID. H. R. 6262, by Rep. Radwan, to authorize CCC commodities to be used for foreign aid; to Agriculture Committee (p. 8872).
14. RESEARCH. S. 2367, by Sen. Aiken, "to strengthen the conduct of research" in USDA; to Agriculture and Forestry Committee (p. 8876).
15. SOIL CONSERVATION. S. 2368, by Sen. Aiken, to amend Sec. 8 (e) of the Soil Conservation and Domestic Allotment Act; to Agriculture and Forestry Committee (p. 8876).

BILLS APPROVED BY THE PRESIDENT

16. REORGANIZATION. S. 106, to establish a Commission on Organization of the Executive Branch. Approved July 10 (Public Law 108).
S. 1514, to establish a Commission on Intergovernmental Relations. Approved July 10, 1953 (Public Law 109).
17. FLAG. S. 694, to prohibit display of flags of international organizations or other nations in equal or superior prominence or honor to the U. S. flag except under specified circumstances. Approved July 9, 1953 (Public Law 107).

At the present time, the Government is utilizing Dr. Gillie's wide experience and knowledge in the field of veterinary medicine. He is now serving as an adviser to the Department of Agriculture, working closely with the Bureau of Animal Industry.

Dr. Gillie was active in obtaining advancement of high professional standards for Government meat inspection. He also espoused equal professional consideration of the background and education of veterinarians who served in the military during World War II. With a scarcity of veterinarians during and after that war, he was out in front urging the establishment of more veterinary medicine departments in universities throughout the Nation.

I know that his many friends here and throughout the Nation are proud of this signal honor which he is to receive. Dr. Gillie has a brilliant record as a legislator, as a fine American citizen, and a leader in his professional field. We all wish him continued good health and happiness in the years ahead.

Mr. HARVEY. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. HARVEY. Mr. Speaker, I am very happy to join with my colleague, the gentleman from Indiana [Mr. ADAIR] in paying tribute to our former colleague, Dr. George W. Gillie. Dr. Gillie earned the gratitude of the entire country, and particularly of the livestock industry because of his very fine technical training and background. He made a great contribution to the welfare of our country and especially in the field of combating the terrific threat of hoof-and-mouth disease during the time he was a Member of the House of Representatives. The recognition Dr. Gillie is to receive from the American Veterinary Association is well deserved. I am happy to join with his many friends in extending our congratulations.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. HOPE. Mr. Speaker, I am glad to associate myself with what the gentleman from Indiana has said concerning Dr. Gillie. I am delighted to learn of the high honor which will be paid him by the American Veterinary Medical Association. Those of us who served with Dr. Gillie here in the Congress, of course, are not surprised that he has been given this mark of distinction. We know that it is richly deserved. During his service in Congress Dr. Gillie was a most valuable and hard-working member of the House Committee on Agriculture. He was respected and loved by every member of the committee. I have never known a more sincere man, a fairer man, or a more modest man than Dr. Gillie. I want to join with his friends everywhere in extending my heartiest congratulations on the distinguished honor which has been accorded him by members of his profession.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. HILL. Mr. Speaker, I was extremely gratified to learn that my good friend, and former colleague, Dr. George

W. Gillie, of Fort Wayne, Ind., had been selected to receive the American Veterinary Medical Association award of the year for his contribution to veterinary medicine.

It was my good fortune to know Dr. Gillie intimately during his 10 years of service in the House of Representatives. We were close personal friends. Besides we served together on the House Agriculture Committee.

During our long friendship, which has continued over the years since he left the Congress, I found Dr. Gillie to be a loyal, conscientious American devoted to the highest type of service for his country. He always gave unstintingly of his time and energy and his legislative record is one which he can look back on with pride and conviction.

Indicative of the high regard and affection with which he was held by the people he served, was his long tenure of public office both in Congress and his home area of Allen County. Dr. Gillie is a man of the finest principles and is richly deserving of this award which will be presented to him by his professional associates.

While serving in the House, he achieved a distinctive record in the field of agriculture. His broad knowledge and understanding of animal husbandry and his first-hand experience in veterinary medicine were most helpful to the Agriculture Committee and to the Department of Agriculture. In 1947, this was particularly true. Dr. Gillie was appointed to lead a contingent from the Department of Agriculture to assist in stamping out the foot-and-mouth disease epidemic which was sweeping through Mexico and threatening to infect the cattle herds of Texas and the western States. Fortunately, the efforts of this group were successful and halted the disease before it could cross our borders.

After Dr. Gillie receives his award from the AVMA, he and his wife are leaving Toronto, Canada, for Stockholm, Sweden, where he will be an official representative of the association at the International Veterinary Congress, which will be held from August 9 to 15.

The presentation of this award to Dr. Gillie is a fitting tribute to his statesmanship in the field of veterinary science. It is a well-deserved honor and an appreciative gesture on the part of his professional colleagues for the excellent contribution and achievements he has added to the advancement of veterinary medicine.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. H. CARL ANDERSEN. Mr. Speaker, I simply want to say that this honor could not come to a better and finer gentleman.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. HALLECK. Mr. Speaker, all of us who know and love Dr. Gillie, and were acquainted with him during his service here as well as since that time, are very happy to hear of the award that is going to be granted to him. Mr. Speaker, at this time I also want to take

the opportunity of commending the gentleman from Indiana [Mr. ADAIR], who succeeded Dr. Gillie, for bringing this matter to our attention.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. SCOTT. Mr. Speaker, it occurs to me that our very good and beloved friend, Dr. Gillie, is going to have the unusual experience of reading in the CONGRESSIONAL RECORD remarks made about him by his former colleagues which are ordinarily reserved, so far as the rest of us are concerned, until that time when we are not able to enjoy them. Therefore, he is particularly fortunate that the gentleman from Indiana has called the attention of the House to the fine honor about to be awarded to Dr. Gillie. We all join with the gentleman from Indiana in extending our felicitations and we are giving him his flowers now.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I want to express my great admiration for Dr. Gillie and his good and charming wife when they were in Washington. I am so glad this fine honor has come to Dr. Gillie. I would like to add that Dr. Gillie has been very ably succeeded by the gentleman from Indiana [Mr. ADAIR]. There could not be a better one.

Mr. ADAIR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks with reference to our former colleague, Dr. George W. Gillie, and that Members desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

Mr. HOPE. Mr. Speaker, I call up the conference report on the bill (H. R. 7054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 10, 1953.)

Mr. ALBERT. Mr. Speaker, would the gentleman from Kansas [Mr. HOPE] please explain briefly the difference between the conference report and the House version of the bill?

Mr. HOPE. Yes, I shall be very happy to make an explanation. In all its essential features the bill, as agreed on in conference, is similar to the House bill.

There is nothing in the House bill of any great importance that is not contained in the bill as agreed on in conference. The bill, as finally agreed upon, I believe is a better bill than the bill passed by the House, in that it is a little more definite and precise in several of its provisions.

I shall be glad just briefly to go through the changes that were made with reference to the economic disaster loans; that is, subsection (b). There the conference report is identical with the House bill, except that the word "established" has been inserted ahead of the words "farmers and stockmen" in order to make certain that they are established farmers and stockmen.

Mr. ROGERS of Texas. If the gentleman will yield to me, may I ask him, in reference to the use of the word "established," am I to understand that that has been inserted in front of "farmers and stockmen" in the bill that was adopted in conference?

Mr. HOPE. In subsection (b), yes.

Mr. ROGERS of Texas. What is that going to do to those boys who started out in the last few years, who became involved in the drought situation, and who have been unable to make any kind of record upon which they can get credit because they owe the banks and have owed the banks for 3 years? These are young boys who have gone into business, some of them veterans who have come back here from service and are trying to get started.

Mr. HOPE. This applies only to those who are getting loans under subsection (b), which are the loans made by the Farmers Home Administration. I think the word "established" as used there means that the borrower must be in the business of farming. It would certainly apply to those who had gone into the business during the past few years, irrespective whether they had been able to establish credit or not. Their failure to be able to secure credit elsewhere would contribute to their eligibility for a loan of this kind.

Mr. ROGERS of Texas. Suppose a man wants to go into the business, to start anew. Can he get any kind of loan to do that? Suppose he has just come back from Korea, his father having been a farmer or a rancher? Suppose he was taken into service before he had a chance to start. Now he wants to start at home where he was raised.

Is he going to be precluded from getting a loan?

Mr. HOPE. He would probably be eligible under the regular Farmers' Home Administration program to secure a loan. He has an eligibility irrespective of anything we do here.

The purpose of this legislation as far as this section is concerned is to provide that economic disaster as well as drought should be the criterion to be used in determining eligibility and in making loans under this section.

Mr. ROGERS of Texas. My fears go to this: The FHA regular loan is limited to \$7,000. You have a bunch of young people starting out, and I am afraid the language of this bill is going either to jeopardize their right to get loans or to

create an obstacle that may be used by some committee to keep them from getting a loan, and I do not want to see that happen.

Mr. HOPE. I do not believe it will happen, and I am sure that under the regular Farm Home Loan Administration loan program they can get relief providing they qualify otherwise. Cases of the kind the gentleman has in mind can be taken care of.

Mr. ROGERS of Texas. I appreciate that, and I know they can be taken care of, I think they can be taken care of by wide discretionary powers, but my wonder is whether they will be or not.

Mr. HOPE. I think they will be; I think this bill will be administered in the spirit in which Congress enacted it to take care of cases of distress in disaster areas as proclaimed by the President.

Mr. IKARD. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. IKARD. The word "established" then, as the gentleman interprets it, does not pertain to the length of time a man has been engaged in agricultural pursuit but as to whether or not he is in the business exclusively for his living. Am I correct?

Mr. HOPE. I think that is a correct interpretation; yes. It is intended to apply to bona fide farmers in disaster areas.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that the only group that is excluded from the provisions of this bill are the commercial feed lot operators?

Mr. HOPE. Yes. That comes under another section of the bill, under section 2 (c) the bill as now drafted excludes commercial feed-lot operators; and I am sure there was never any intention of permitting that group to come under the loan provisions of the bill.

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. FISHER. I should like to commend the gentleman and his committee, and the committee on conference, for prompt action on this very vital subject which is so important to many people in the disaster area.

(Mr. FISHER asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. JONES of Missouri. I notice that the conferees did not want to accept the amendment which I offered to this bill, and I was prompted to offer the amendment limiting the authority of the Secretary to use the funds, the personnel, facilities of three agencies of the Department of Agriculture, namely, Commodity Credit, Farmers' Home, and the Production and Marketing Administration. I note that the report states that the Secretary might also be required to use the services of the Soil Conservation Service, the Extension Service, the Forest Service, and so forth. I am wondering why you did not set out those agencies

rather than leave it as it was in the bill? And before the gentleman answers I want to reiterate my objection to this particular language in this bill. I think it establishes a policy that is not sound when they say here that the Secretary may utilize the personnel, the facilities, the property, and the funds of any agency in the Department of Agriculture. That is awfully broad language; and, as I said before, I feel that that would give them the authority to use the funds of REA in order to take care of this situation. I know that the chairman of our committee would not have any such thing in his mind at all, and I am not afraid of him if he were to administer these funds, I would be willing to turn any amount of money over to the chairman, the gentleman from Kansas. But I am a little afraid of this administration with respect to the REA and to public power, and I do not want to put into a bill like this the authority for this administration to go in there and use these funds. I am sure the gentleman will agree that under this section they could do that if they so desired.

They will have to pay them back, but they do not have the funds to pay them back because I understand in this revolving fund there is not sufficient funds to pay it and that it would require another appropriation. I want to ask the chairman of the Committee on Agriculture if he thinks it is sound legislation to include the language that was included in section (d)?

Mr. HOPE. I may say to the gentleman from Missouri that that language, of course, is recognition of the fact that this is an emergency and that we want to put behind this program all of the resources of the Department of Agriculture. I realize the fears that the gentleman from Missouri has and I can sympathize with his viewpoint on that. I do not believe, however, that he has anything at all to fear as far as his immediate concern goes because it specifically states in the bill that reimbursement will be made to these agencies from the revolving fund. It is true that there will have to be an appropriation made for the revolving fund and I am informed that the Bureau of the Budget will send up an estimate very shortly for that purpose. That undoubtedly will be included in one of the deficiency bills which will come up before adjournment. There will have to be an appropriation, I think everyone recognizes that, for carrying out this program. I do not believe the gentleman needs to be apprehensive about the possibility that funds may be used from other agencies which will not be paid back out of the revolving fund. If the conferees had not felt sure that repayment would be made they would not have agreed to the language which is now contained in the bill.

Mr. JONES of Missouri. I would like to say that if it is contemplated they might use funds of the Extension Service and so forth that that could have been put in the bill along with the 3 instances I have set out; and, furthermore, I feel, and this feeling is emphasized in view of the report that is brought in here because I am satisfied that the Department

has reasons for insisting that it can use the funds of any agency, they must have had something in their mind, for instance that they are going to create an agency or reach in there and get some money and to further usurp the powers that the Congress should have in this respect. I appreciate what the gentleman has said and I want to compliment the committee, especially our chairman, for the promptness in which he took hold of this thing and brought about this relief, but I still want to say I certainly am not pleased with the attitude of the Department in wanting to put this indefinite, broad language in there which would permit the use of that fund that this Congress does not contemplate would be used and which I feel sure the Congress would vote against being used even for this worthy purpose. I shall vote for the conference report, of course, but I cannot resist the opportunity to say that the Congress is making a mistake in adopting a precedent by including this broad language in the bill.

Mr. TRIMBLE. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Arkansas.

Mr. TRIMBLE. I have received a communication from a constituent as to whether or not he comes under the provisions of this so that he may keep his own cattle and buy feed, and if he would be allowed to purchase his neighbor's disaster cattle under this loan?

Mr. HOPE. I do not believe it is contemplated that under this legislation loans will be made for a man to expand in the cattle business unless it were deemed by the local committee that this would enable him to carry on his existing operations in a more effective or efficient way. I can see that there might be some situation where a local committee which is administering the program might decide that was the case; but certainly it is not contemplated in general that this program will be used to finance someone who is going into the cattle business more extensively than he is at the present time.

Mr. TRIMBLE. I thank the gentleman.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. I do want to clarify one point in reference to subsection B that we were speaking about a moment ago. When this bill left the House there were two conditions precedent to a man's eligibility to participate in this fund. One was that he had lived in an area that had been declared a major disaster area under Public Law 875, 81st Congress. The other was that the Secretary found that he was suffering from an economic disaster also. Now am I correct in that understanding?

Mr. HOPE. Yes; that is correct.

Mr. ROGERS of Texas. Now then, the conference report places one more condition precedent, making it three, the third condition precedent being that he must be an established farmer or rancher in order to participate.

Mr. HOPE. I think that was implied originally. It is in there now in specific

language. Of course, it seems to me that it is hardly within the realm of reason to believe that a new farmer would go into a drought area and begin farming operations, if that is what the gentleman has in mind.

Mr. ROGERS of Texas. I agree with the gentleman on that; it is not what I have in mind. What I have in mind is simply this: That although there has not been much said about it on the floor, this drought disaster is not only affecting the farmers and the ranchers, it is affecting the little business people all over that section of the country. Many of them are leaving those areas and are hunting for employment. Some of them cannot find employment, and many of them will have to turn to farming in order to feed their wives and children, and the thing I want to do is to see that those people, whether they be veterans or whether they be citizens, who have come from farms and work in filling stations, for instance, who will return to the farms, will not be discriminated against insofar as being able to maintain the economy of that section of the country is concerned. That is my interest.

Mr. HOPE. I would not want to say that a person in the situation described by the gentleman from Texas would be eligible for a loan under this provision. I think he might be eligible for a loan under the regular Farmers Home Administration program, but I do not think this legislation was designed to encourage nonfarmers to go into the farming business in a drought area. I would very much question any program which did have that in mind.

Mr. ROGERS of Texas. I certainly would not subscribe to a policy of trying to send people into a drought area, because they could not possibly survive, but it is the people who have been on the farms and gone to town and worked, the people who have been born on the farm, taken into service and returned; many of those boys will come back into the domestic economy of this country in the next year, and they have in the past two years, and those boys will have to have some place to turn, and I simply do not want to put a bulwark against them, because I think they are entitled to the same rights as others.

Mr. HOPE. I appreciate the gentleman's comments.

Mr. ROGERS of Texas. I thank the gentleman.

Mr. FISHER. Mr. Speaker, I asked the chairman, the gentleman from Kansas [Mr. HOPE], to yield to me for the purpose of expressing my gratitude for his promptness in preparing and pushing this much-needed legislation through the Congress. The bill was considered in committee only a week ago today, and it appears that it will be on the President's desk tomorrow. There are some provisions that are not entirely satisfactory, but in the main the measure is, in my opinion, a good one. It will give the Secretary of Agriculture authority to expand the loan program in the disaster area and will provide for sale of feed for livestock at prices in keeping with the emergency that exists. The gentleman from Kansas [Mr. HOPE] has been most zealous and cooperative in recognizing

the emergency and then advancing this legislation with the minimum of delay.

Mr. HOPE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

CUSTOMS SIMPLIFICATION ACT OF 1953

Mr. SCOTT. Mr. Speaker, I call up House Resolution 327 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SCOTT. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi [Mr. COLMER] and yield myself 15 minutes.

Mr. Speaker, this bill is known as the customs simplification bill. I rise to urge the adoption by the House of House Resolution 327, making in order the consideration of the bill H. R. 5877, to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes.

This resolution provides for a closed rule, waiving points of order against the bill. Amendments may be offered at the direction of the Committee on Ways and Means, and 2 hours of general debate have been scheduled.

The bill H. R. 5877 proposes to modernize the existing customs laws by applying sound and well-tried business methods to the administration of these laws. In addition to simplifying the entire custom procedures—and this is a very technical bill—this bill is designed to reduce expenses to the Government and to the public, and to cut down on the delay and minor irritations that are now part of the normal customs experience of the average citizen.

The bill has had the benefit of the combined suggestions of the Department of the Treasury and the Bureau of the Budget, and is the result of extensive and

intensive hearings on the part of the Committee on Ways and Means. President Eisenhower in his state of the Union message mentioned that one of the aims of his administration was to simplify the customs regulations, and this bill does just that.

I do wish to correct one possible misapprehension which arises from the fact that the statement was unintentionally made during the hearings before the Rules Committee that there is nothing controversial in the bill. While that is quite true as to the bill in its present form under this resolution, several Members have asked that I call attention to the fact that there is a controversial committee amendment which will be offered in due course.

Mr. Speaker, I know of no one who opposes the rule itself. I hope the House will adopt House Resolution 327 so that the House Membership will have the opportunity to consider this bill on the merits.

As to the controversial measure, I understand that this particular measure refers to countervailing duties, where if there are in some other country two or more standards of currency and the rate of exchange on the market available for export goods in any such country is lower than the normal rate of exchange existing in that country, the Secretary of the Treasury is authorized to impose certain countervailing duties; and that then, in order to secure relief, any industry must prove that it has actually sustained injury.

While asking for the adoption of the rule, I reserve, as far as I am concerned, the right to oppose the committee amendment on that score.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield.

Mr. BYRNES of Wisconsin. I think it is unfortunate that both in the Ways and Means Committee and also in the appearances before the Rules Committee there was some misunderstanding as to the status of this amendment that will be offered as a committee amendment. We were told in the committee, for instance, that those who had originally been opposed to this amendment had withdrawn their opposition. Acting upon this assurance, the Ways and Means Committee adopted the amendment. I should add that it was not adopted in the committee by any unanimous vote, as I think the author of the amendment and its proponents in the committee will agree.

It also is my understanding that before the Rules Committee it was suggested that there was no opposition to this amendment. There is very strong opposition to this amendment.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 88]

Abbitt	Hardy	O'Brien, N. Y.
Addonizio	Harrison, Va.	Patten
Bailey	Hart	Patterson
Barden	Hays, Ohio	Philbin
Barrett	Hébert	Powell
Becker	Heller	Reed, Ill.
Bender	Hinshaw	Riehlman
Betts	Hollfield	Rivers
Bray	Howell	Robeson, Va.
Carrigg	Hruska	Rodino
Celler	James	Roosevelt
Chatham	Javits	Scherer
Chudoff	Kearney	Shafer
Cooley	Kelly, N. Y.	Sheehan
Coudert	Kilday	Sieminski
Cretella	Klein	Sikes
Davis, Tenn.	Lane	Smith, Va.
Dingell	Lanham	Stauffer
Dodd	Latham	Taylor
Dollinger	McCarthy	Teague
Dolliver	McConnell	Tuck
Donohue	McVey	Velde
Donovan	Mack, Ill.	Wainwright
Durham	Miller, Calif.	Weichel
Evins	Miller, N. Y.	Westland
Fine	Morano	Wheeler
Fino	Morgan	Widnall
Fogarty	Moulder	Wigglesworth
Granahan	Multer	Wolcott
Green	Mumma	Young
Hand	Nelson	

The SPEAKER. On this rollcall 333 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CUSTOMS SIMPLIFICATION ACT OF 1953

Mr. SCOTT. Mr. Speaker, when the point of no quorum was made, I had reached the point of indicating that I knew of no one who opposed the rule, and I hoped that the House would adopt House Resolution 327 so that the membership would have an opportunity to consider the bill on its merits, and I had just raised the point that I had been informed that there was one controversial committee amendment, on which there is considerable difference of opinion, having to do with certain countervailing duties, and I now yield to the gentlemen from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, as I suggested previously, there was in the committee, and I think there was before the Committee on Rules, a misunderstanding with respect to one particular amendment that was offered in the Committee on Ways and Means by the gentleman from Pennsylvania [Mr. EBERHARTER]. The impression was left in the Committee on Ways and Means, and I believe also before the Committee on Rules, that there was no particular objection to this amendment. That is not a fact. There is considerable objection. This amendment is objected to, and quite vigorously, in some quarters. It relates to the matter of countervailing duties and the obligation of the Treasury Department to impose countervailing duties in those cases where a country grants a subsidy or a bounty or a grant of some kind in connection with the exportation of some item into this country. Under the present law it is mandatory under section 303 of the Tariff Act of 1930 that the Treasury Department shall impose a

countervailing duty which will offset the amount of the grant or subsidy given by this foreign country to the particular item that is being imported into this country. Under the amendment as proposed by the gentleman from Pennsylvania [Mr. EBERHARTER] the Treasury will not be required to impose a countervailing duty but shall impose a countervailing duty only when some industry complains and then proves that there is an injury as the result of the importation of this commodity on which a foreign subsidy has been paid.

There is no test as to what shall be considered injury, how material the injury shall have to be, or anything else, so that if we adopt this amendment it will be entirely discretionary with the Treasury Department as to whether a countervailing duty shall be imposed.

Let me make it clear that although the Treasury Department does favor the amendment that is to be offered by the gentleman from Pennsylvania, yet it is not, on the other hand, insisting upon it.

There is also a very serious question as to whether the amendment should be considered as part of a simplification bill. In my judgment it would be well for the House to turn down this amendment so that we can maintain the customs simplification bill as a simplification bill.

I have taken so much of the gentleman's time only because of the fact we will not have time for a general discussion of this amendment during the amendment stage of the bill, under the rule we have before us. It would be well for us to give consideration to this amendment at this time and also during general debate.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. I have received a great many telegrams and letters and telephone calls regarding this provision of the bill, and an increasing number are coming in, a great many protests. I do hope this provision will be eliminated from the bill. It is very dangerous, I think. Messages have come from boot and shoe industries and from labor in various industries. The following is one of the telegrams I have received from northern industries.

BOSTON, MASS., July 13, 1953.

HON. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.:

Understand H. R. 5877, Customs Simplification Act, will be voted today. Urge you vote against adoption of countervailing and reimport duty amendments sponsored by Eberhart and know which would be a serious blow to New England textile mills and employment in textile centers.

WILLIAM F. SULLIVAN,
President, Northern Textile Association.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I just want to advise the House membership that the Treasury Department recommends the inclusion of this provision in the bill, and I quote this language appearing on

in promoting international trade. But he goes on to say that the United States has done more to reduce tariff barriers than the countries which are clamoring "trade, not aid." And, finally, he states that if we would reduce our duties to insignificance, it would not narrow substantially the present dollar gap.

It is evident, therefore, that many problems will arise if the administration vigorously pursues a policy of general tariff reduction.

While we are talking about the problems of affected industries, I should like to refer to the report to the President by the Public Advisory Board for Mutual Security. The title of this report is "A Trade and Tariff Policy in the National Interest." A number of recommendations are made which I shall not repeat at this time, but I should like to refer to their first recommendation, which reads as follows:

"That decisions on trade policy be based on national interest rather than the interest of particular industries or groups; that in cases where choice must be made between injury to the national interest and hardship to an industry, the industry be helped to make adjustments by means other than excluding imports, such as through extension of unemployment insurance, assistance in retraining workers, diversification of production, and conversion to other lines."

Another point which is often overlooked is the fact that we have already gone a long way toward reducing tariffs and other import restrictions into the United States. Our tariffs are not so high as many people suppose. It is estimated that 58 percent of all our imports came in duty free in 1952. Of the dutiable items, the average of all duties has been reduced 73 percent from 1935 levels. This reduction in duties has been brought about not only through the reciprocal trade agreements, but also by the fact that many commodities have specific duties expressed in dollars and cents per pound or other unit. Where such duties have not been changed as prices have gone up, the amount of the duties expressed as percentages of the current values of the commodities are much less now than they were 20 years ago. It very definitely remains to be seen how much further the people of the United States are prepared to go in reducing our tariff duties.

I should like now to discuss briefly the second question which I raised regarding how many dollars our friends abroad could earn if we took off our restrictions. We are greatly indebted to Dr. Howard S. Piquet, economist with the Legislative Reference Service of the Library of Congress. Dr. Piquet made a very careful analysis, commodity by commodity, to determine the degree to which imports would increase if all tariff duties and quotas were simultaneously suspended temporarily. His findings are published in his recent book, *Aid, Trade, and the Tariff*. Dr. Piquet's study indicates that if all United States tariffs had been suspended in 1951 imports into the United States would have been from \$800 million to \$1,800,000,000 more than they actually were. If quotas as well as tariffs had been suspended, the increase in our imports might have been from \$1,200,000,000 to \$2,600,000,000 more than they were in 1951. This larger figure would have been equal to 58 percent of the money spent on foreign aid in that year. This, however, makes no allowance that many commodities not now imported at all might enter a free United States market. The study suggests, therefore, that the United States probably could import enough goods and services to close the dollar gap if it announced a long-term policy of free trade.

It is possible, however, that adjustments would be made by domestic industries to meet competition from abroad, and there is some doubt as to whether or not other countries could actually compete with the ad-

vanced production methods of the United States. The issue becomes not so much one of entirely eliminating the need for aid by means of trade, but rather substituting part of the aid through more liberal trade policies than we have adopted heretofore.

In his address to the Seattle Chamber of Commerce on May 15, Mr. Walter Williams, Under Secretary of Commerce, discussed the subject in terms of More Trade, Less Aid. Mr. Williams emphasized that American industry generally does not need to fear competition from abroad. He stated that "the productivity of American labor in most of our industries is so much higher than the productivity of labor in rival industries abroad that the difference in wage levels is more than offset. In most of our industries we need have no fear. The fact of the superior productivity of American labor is the safeguard against unemployment or reduced standards of living." He goes on to say that "while we do export raw products in substantial quantities, the bigger part of our exports consists of fully manufactured commodities. This has been the case for some time. Every year since before World War II over 50 percent of our total exports has consisted of manufactured commodities." He then makes this significant point:

"These exported manufactures compete advantageously with the products of other countries in every market in the world. Were it not for the fact that so many countries now deliberately limit their imports from the United States as a means of conserving their dollars, American-manufactured goods would be exported even more extensively. This is not the kind of fact that supports fears of foreign competition. This kind of fact clearly indicates that the greater part of American industry has nothing to fear from the competition of foreign products."

While we are talking about tariffs, quotas, and other restrictions upon imports to the United States, we should also keep in mind that we are not alone in this respect. In fact, some of the most restrictive policies against the free exchange of goods in international commerce exist outside of the United States. Conversely, there is no other area in the world where such a volume of free exchange of goods and services takes place as within our own borders. If Western Europe had the same degree of free trade as that between the various States on this side of the Atlantic Ocean, the need for United States aid might very largely disappear. The preferential treatment within the British Commonwealth of nations is another instance of restrictive policies which retard the free flow of goods and services in an important economic area. Under the Reciprocal Trade Agreements program we have often obtained reduction in duty on the part of other countries, only to find import quotas and exchange restrictions preventing us from selling certain commodities in any substantial quantity. So, while we are talking about international trade as requiring a two-way street, we should keep in mind that trade restrictions exist on both sides of the Atlantic and Pacific oceans. If our ultimate aims of a prosperous free world are to be accomplished, it is necessary that other countries adopt in practice as well as principle the policies which they are urging upon the United States.

Now let us look at this whole problem from another angle. We are concerned at this Institute with the general theme of "Who holds the keys to peace and war?" Trade is important and dollars are important, but attitudes of mind are more important. Any discussion of aid by trade within this general theme would be incomplete without consideration of the psychological factors involved. One of the factors that occurs to me as having a very decided effect upon the attitude of other people toward the United States is the complexity of our customs regulations. Both President Eisenhower and

President Truman have emphasized the necessity for more businesslike customs procedures in order to promote better relations between the United States and other countries. In addition to customs regulations, we need to change the attitude, not only of our public officials, but also the attitude of the people of the United States toward purchasing goods from abroad. The report of the Public Advisory Board for Mutual Security which I referred to a little while ago contains a statement that many goods take longer to pass through United States customs than it took Columbus to discover America. According to this report, the collectors' offices reported 723,000 unliquidated entries on hand December 30, 1952. Cases requiring 2 to 4 years for decision are common, and during all this period the importer is unable to determine what his liability will be on goods he is selling in the American market. I think this situation is a reflection of the attitude of the American people toward international trade. Apparently most of us do not care whether or not the Customs Bureau acts in a businesslike manner. It certainly must be most exasperating to people across the seas when they are faced with such an attitude.

Folks often say to me that it must be exceedingly difficult to understand the oriental mind. During the past few years I have had an opportunity to travel in the Orient and I have had many interesting conversations with folks from that part of the world. One remark which I shall always remember is that of a Chinese who said: "You Americans are hard to understand. You talk as if you thought you were good businessmen, but you never want to sell anything; all you want to do is to give it away." Originally, people in other parts of the world became acquainted with Americans when the Yankee traders of the Eastern seaboard put a few articles in their sailing ships and went out to other countries. These men traded the things which they had on board for the things which other people had to exchange and then they brought these articles back and sold them for a profit in the Colonies. The Yankee traders established a reputation as good bargainers. Because they were good bargainers, other people respected and admired them, and thus other folks came to have a high regard for the business ability of Americans.

I sometimes wonder if we may not have lost ground in recent years in the area of psychological attitudes. It is sometimes hard for other people to understand why a great, rich, businesslike nation would give away so much. In many instances it has been very difficult and often impossible for the people of other countries to understand why we do it. Not understanding our motives, they become suspicious of us. Furthermore, in all too many cases, the people have not been able to see how they themselves have received any benefit from the aid programs of the United States. So it seems appropriate for us to reexamine our whole foreign policy in the light of the effect that it has upon the attitude of other people toward the people of the United States.

While in Washington recently I picked up a pamphlet at the office of the United States Chamber of Commerce. The title of this pamphlet was "Whither Bound Japan?" As I read this thought-provoking document, I recalled the stimulating conversation a few of us had in Tokyo in the fall of 1949 with General MacArthur and members of the SCAP organization. At the time of the surrender in 1945, General MacArthur and his army were confronted with some 80 million conquered people who did not have enough to eat. Before the war they had imported rice from Korea and Formosa. These sources of supply were no longer available to them. After a few efforts to get the folks back home to realize the situation, the general sent a message to the War De-

partment saying, in effect, send me more food or more troops.

The United States then embarked upon a program of supplying food for the Japanese. Much of this food was in the form of wheat from the Pacific Northwest. As a result of the things that were done at the time of the occupation, Japan has become one of the important customers of Oregon wheat producers.

The Japanese are an industrious, self-respecting people. They work hard and they produce all of the food their land will yield. They still lack 3 million metric tons of rice and wheat which they must have to feed their growing population. They also need to import cotton, petroleum, and a lot of other commodities. As Japan looks to the future, these industrious, self-respecting people do not want us to support them. They have manufactured goods to sell, and they want to pay their own way. They are going to produce articles for sale somewhere in the world. Wherever in the world they sell their manufactured goods, that is where they will be able to buy the rice and the wheat and the cotton and the petroleum and coking coal and the iron ore and the wool and the bauxite they must have. With our present tariff policy and general attitude toward imports into the United States, it is exceedingly difficult for the Japanese to earn dollars with which to buy the wheat and other things which they need. Temporarily they were able to get dollars from the United States Treasury during the occupation and as a result of our expenditures in connection with the Korean war. Obviously that is not a permanent solution to the problem.

I have tried to visualize just what Japan might sell to the United States. She used to sell us silk, and still might sell us some, but it is hard to imagine the women of America switching from nylon stockings. She might sell us some cameras, microscopes, telescopes, and other precision optical instruments. She can produce excellent chinaware and ceramics, and of course toys, fireworks, and many novelty items. But it is entirely possible that in spite of their low wage rates, the Japanese could not sell enough in the dollar area to pay for all the things they need to buy. In the face of this situation, what is going to be our attitude toward trading with Japan? Are we going to discourage trade by irritating customs regulations, import quotas, discriminatory tariffs, and other devices? Or are we going to express at least a willingness to accept what she has to offer in payment for the food and industrial commodities which she needs to buy from us?

If we, by our attitude toward imports, prevent the Japanese from buying in the markets of the free world, where else can they get the things they must have in order to exist? Where else but in Red China and Russia? One of the challenging questions which was raised by General MacArthur when we talked with him in 1949 was whether the people in the States realized the issues which are at stake; whether we realized what we must do if we are to play the role which history has assigned to us as the leading creditor nation of the world.

What I have said about Japan applies to even a greater degree to our relations with England, France, Italy, and Western Germany. Here is a paragraph from an editorial in the New York Times, Monday, June 8, 1953:

"Meanwhile, word from countries as diverse as Japan and Argentina, France and Australia shows that the Communist world is feverishly speeding up its drive to increase trade between the Soviet and non-Soviet worlds. Insofar as this trade is confined to nonstrategic commodities, our Government's policy is not against it. But it is clear that the Communist traders' objective is seriously to weaken or to eliminate the

existing curbs on sales of strategic goods to them. To the extent that our country follows a protectionist policy, we play into Moscow's hands on this issue. It is a tribute to the free world's solidarity that to date the Communist propaganda on this issue has largely failed, but the strength of this Communist drive will undoubtedly increase. It would seem wise for our own governmental policies to be planned with this factor in mind."

This is only one of many indications which have come to my attention in recent months that if the United States is not willing to trade with the industrial nations of the free world, there are other folks who would very much like to trade with them, and I do not need to elaborate on what effect this would have upon the security of the United States.

Now, just a few words by way of summary and conclusion. The policy as stated by the Eisenhower administration points out the need for removal of barriers to the free exchange of goods and services—not only on the part of the United States but on the part of other countries as well. These barriers are not only in the form of tariffs but also involve import quotas, exchange restrictions, and customs regulations. The dollar gap, which amounted to some \$36 billion during the 7 years 1946 through 1952, could probably not have been completely eliminated if the United States had adopted a policy of unlimited free trade, but such a policy on our part, along with a similar policy on the part of other countries, might have been very helpful. We have gone a long way toward removal of trade barriers during the past 18 years. Any further steps by us to reduce trade restrictions should be accompanied by assistance to the industries and laboring people who would be affected by such a policy. Reducing trade barriers on our part should also be accompanied by comparable action on the part of other countries. The psychological factors involved in this whole problem are, perhaps, more important than the economic factors. In order to regain the respect of other people, we need to reestablish ourselves as good traders. We need to insist that we get value received for what other folks buy from us. Somehow or other the governments of the world need to permit the people of the world to trade with another. If this can be done, then trade may well become the basis of mutual respect and confidence which alone can result in mutual security.

ASSISTANCE RENDERED BY SENATOR FERGUSON IN CONNECTION WITH BILL GRANTING IMMUNITY IN CERTAIN CASES

Mr. McCARRAN. Mr. President, it has always been my intention to give credit where credit is due. It occurs to me that full credit may not have been given to the Senator from Michigan [Mr. FERGUSON] in relation to a matter where credit is deserved.

Some days ago the Senate passed a bill (S. 16) providing for the granting of immunity from prosecution to witnesses before congressional committees under certain conditions and subject to certain restrictions and safeguards, in order that the Congress may be in a position to require the testimony of a witness even when he claims his privilege against self-incrimination under the fifth amendment. That bill has been under consideration by the Judiciary Committee for several years; I put the history of the legislation in the RECORD the day it passed. In all that time the committee has had, and I have had as author of the

legislation, the assistance, guidance, and support of the Senator from Michigan [Mr. FERGUSON]. Throughout the consideration of that bill, during the time it has been before the Judiciary Committee, the Senator from Michigan has given to the bill the benefit of his fine training in the law, his experience, and his ability. He was the author of a major amendment to the bill; namely, the provision requiring concurrence of at least two members from each major party, before the granting of immunity could be authorized. He spoke for the bill in committee, while he was a member of the committee, and on the floor of the Senate; when I took the floor to urge that this bill be brought up, he arose and supported my request. It would be unjust to allow this opportunity to pass without paying tribute to the splendid work done by the Senator from Michigan in behalf of this bill, in cooperation with the former chairman of the Judiciary Committee, while the Senator from Michigan was a member of the committee, and his fine support of the bill on the Senate floor.

I regret exceedingly that the Senator from Michigan has found it necessary to resign from membership on the Judiciary Committee, and to become a member of another committee. It has been a deprivation indeed to the Committee on the Judiciary that the Senator from Michigan has not been able to remain on it, because his fine training, experience, and background have always been of great benefit to the committee.

I hope the Senator from Michigan will continue to maintain an interest, as by action with respect to S. 16 indicates he will, in legislation coming from the Committee on the Judiciary; and that we may always have his fine assistance in the handling of such legislation on the floor.

EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN—CONFERENCE REPORT

Mr. AIKEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

(For text of conference report, see pp. 8703-8704 of House proceedings, CONGRESSIONAL RECORD of Friday, July 10, 1953.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. MORSE. Mr. President, I should like to have the able chairman of the Committee on Agriculture and Forestry make a brief explanation of the conference report.

Mr. HENNINGS. Mr. President, I should like to inquire whether the distinguished chairman has discussed the

matter with the distinguished minority leader, the senior Senator from Texas [Mr. JOHNSON].

Mr. AIKEN. I have not. I cannot conceive that either the acting majority leader or the minority leader would have the slightest objection to the consideration of the conference report.

Mr. HENNINGS. Mr. President, I now understand there is no objection.

Mr. AIKEN. The committee of conference agreed substantially to the Senate bill, with the exception of the section relating to emergency feed and seed laws. This section was stricken by the Senate on the ground that it was covered by other legislation. However, after discussing the matter with the House conferees, it was agreed that probably it would be better to have language in the bill covering the item. So, the conference report contains a modified version of the provision for emergency assistance in furnishing feed and seed, which was originally stricken out of the bill by the Senate. This provision does not create any new authority. It is simply a question of whether the funds for carrying out this authority shall come from the President's emergency fund or from the disaster loan revolving fund. Many agencies, particularly the Civil Defense Administration, are interested in the President's fund, and the Budget Bureau has assured us that from an accounting and administrative viewpoint, it is preferable that this assistance be furnished from the disaster loan revolving fund. Language which appeared to invite discrimination in waiving payment for feed and seed has been removed; and in view of the explanation of the Budget Bureau and removal of the objectionable language, the conferees believe that the provision should be included in the bill.

Mr. CARLSON. Do I correctly understand from the conference report that funds for feed and seed loans would come from the disaster relief fund?

Mr. AIKEN. Not now. They would have come from the disaster relief fund had the provision which was stricken by the Senate remained out of the bill. The fund will now come from the revolving fund of the RACC, or what formerly was the RACC agency. It was feared that the President's emergency funds might become exhausted in case of serious disasters of another nature. Therefore the Bureau of the Budget thought it would be better to have the agricultural disaster loans for feed and seed paid out of the revolving fund rather than to take a chance on calling on another fund which might at some time prove to be inadequate.

Mr. CARLSON. Do I correctly understand that the feed and seed loans at the present time, and under the present program, will be handled as they have been handled in the past, through the same funds which were available in previous years for feed and seed loans?

Mr. AIKEN. After this bill becomes law, the feed and seed loans will be made out of the revolving fund, rather than the President's immediate disaster fund.

Mr. CARLSON. I appreciate very much the statement of the distinguished Senator from Vermont.

Mr. AIKEN. The Senate conferees agreed that the situation would be improved, and the House conferees agreed that by changing the language of the House provision the bill itself would be improved, and there would be no chance for misunderstanding or ambiguity.

Mr. CARLSON. Mr. President, will the Senator further yield?

Mr. AIKEN. I yield.

Mr. CARLSON. Do I correctly understand, then, that upon the final enactment of the legislation emergency funds will be provided for financing loans in the disaster area for livestock; second, that loans will be provided for feed; and, third, that emergency loans will be provided for feed and seed?

Mr. AIKEN. It provides for loans for agricultural purposes of any kind in disaster areas. It provides for nationwide loans on livestock on a temporary, 2-year basis; and it provides for loans for feed and seed in disaster areas, to be made from the revolving fund of the Department of Agriculture rather than from the President's disaster fund.

Mr. CARLSON. I wish to commend the Senator and his committee for the diligence with which they have handled this critical and very much needed piece of legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 5451) to amend the wheat-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. AIKEN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. AIKEN, Mr. YOUNG, Mr. THYE, Mr. ELLENDER, and Mr. HOLLAND conferees on the part of the Senate.

LOCAL AIRLINE SERVICE IN NEW ENGLAND—DISSENTING OPINION OF JOSH LEE AND JOSEPH P. ADAMS

Mr. KENNEDY. Mr. President, on behalf of the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I ask unanimous consent to insert in the RECORD the dissenting opinion of the Honorable Josh Lee and the Honorable Joseph P. Adams, both members of

the Civil Aeronautics Board, in docket No. 5055 et al., decided July 3, 1953, being the Wiggins airways renewal investigation case.

There being no objection, the dissenting opinion was ordered to be printed in the RECORD, as follows:

MEMBERS LEE AND ADAMS DISSENTING

We dissent from the majority's refusal to renew Wiggins for the same basic reasons set forth in our original dissenting opinion in this proceeding. We are unable to adopt the majority's conclusion that the area involved in this proceeding is too weak to justify from an economic standpoint a properly established local air transportation system. On the contrary, we believe that the establishment of a sound local service pattern providing these communities with rapid transportation to their major trade centers would have just as good a chance for success as similar systems in other sections of the country. We are convinced that if Wiggins were given a proper route system and permitted to operate this system with DC-3 or an adequate feeder aircraft, Wiggins, just as the other local service carriers have done, would be able to make a satisfactory showing in the public interest.

We regard the majority's decision as particularly unfortunate because it is made in opposition to urgent requests on the part of representatives of cities and State civic interests as well as outstanding representatives of the political subdivisions of New England, all of whom are particularly well versed in the needs and deficiencies of the air transportation system of New England. We cannot agree with the majority that the natural interest which these public-spirited New England citizens have expressed should be ignored when even the majority cannot deny that the route system which Wiggins was operating could have been substantially improved in this case so that the cities in the New England area could have had the benefit of a true local service experiment.

JOSH LEE.
JOSEPH P. ADAMS.

CIVIL AERONAUTICS BOARD PROCEEDINGS AGAINST NORTH AMERICAN AIRLINES

Mr. HENNINGS. Mr. President, on Saturday, the distinguished junior Senator from Alabama [Mr. SPARKMAN] spoke to the Senate briefly concerning the pending enforcement proceedings which have been brought by the Civil Aeronautics Board against North American Airlines. Because of the lateness of the day, the Senator from Alabama spoke only briefly, and obtained permission to insert in the CONGRESSIONAL RECORD the remainder of his speech and a memorandum. I had also intended to speak on Saturday concerning the same problem, but because other Senators were obviously anxious to adjourn the Senate, I deferred saying anything until today.

Over the past week I received numerous telegrams from people in Missouri protesting against enforcement proceedings against North American Airlines and urging that I speak against this action.

This is a matter on which up to this time I have not had an opportunity to familiarize myself in detail, and for this reason I was very much interested in the remarks of my good friend, the Senator from Alabama [Mr. SPARKMAN].

For several years, as one of the air traveling public, I have been aware of the growth of the so-called nonscheduled air lines and of their great contribution to American aviation. I also have been aware of the fact that from the inception of regulation by the Civil Aeronautics Board, the air transport industry has had a shrinkage in the number of scheduled air lines from 16 to 13, rather than a growth.

We in the United States have long since come to feel that we do not fear or oppose bigness, as such, in industry or anything else. On the other hand, we have for many years been opposed to monopoly in any form. We have laws which prohibit the growth and development of monopolies, but these conspiracies in restraint of trade nonetheless—as we well know—and as last year I showed in connection with the international oil cartel—continue to develop. I hope a monopoly is not threatened in the air transport industry, but I must say, on the basis of considerable evidence referred to by the Senator from Alabama and on the basis of the questions which he raised in his speech on Saturday, I am compelled to express great concern over the administration of the Civil Aeronautics Act by the Civil Aeronautics Board.

The Senator from Alabama stated on Saturday that the North American Airlines is the largest, most reliable, and most experienced carrier among the independent nonscheduled air carriers. He noted that they receive no subsidy from the Treasury, and have never received a subsidy; that they have a fine record of safety. The charge against them seems to be that they are guilty, in the eyes of the Civil Aeronautics Board, of flying too frequently, too regularly, and in some instances, of conducting their business in a manner similar to that of the certificated carriers in regard to honoring passenger tickets among each other. The Senator from Alabama stated that the regulations which this carrier is charged with violating had been repeatedly challenged in recent hearings conducted by the Senate Small Business Committee, in the course of which the Senator said it was shockingly revealed that these regulations had a premeditated motive designed to deprive one segment of the aviation industry—the nonscheduled independent carrier—of economic survival.

These are serious charges, and many other serious questions were raised on Saturday about this pending enforcement proceeding. One must remember that this nonscheduled carrier was organized by veterans of World War II, with the help of and on the urging of the Federal Government, and without airmail subsidy. This group of companies have demonstrated that without the airmail subsidy, which the regularly scheduled airlines get, they were able to operate safely a fine air transport service to the public, at greatly reduced cost. This is a type of free enterprise about which America can be proud, and one which it appears to me we wish to encourage, not destroy.

As I understand, the Civil Aeronautics Board is determined to go forward with

these enforcement proceedings, which would put this large independent carrier out of business, in spite of protests from congressional committees and Members of Congress. It seems to me that in view of the findings and recommendations of the Senate Small Business Committee and the importance of this carrier to the air transportation industry, the decision of the Civil Aeronautics Board to proceed at this time with the enforcement action can be questioned. While my immediate interest in this matter has been occasioned by the appeals from my fellow citizens in Missouri, I have for a long time viewed the economics of the air transportation industry with increasing concern.

It has been charged repeatedly that this industry is threatened with monopoly. While I have not had an opportunity to fully acquaint myself with the facts concerning the charges of an air cartel, I am aware, as are other Members of Congress, that these charges are being made from sources which appear substantial and reliable.

In view of this situation, I think the Congress should investigate quite thoroughly the administration by the Civil Aeronautics Board of the air-transport industry, and either should lay to rest the charges which have been made, or should take some action to correct the alleged trend toward monopoly, if the charges are substantiated.

In any case, I wish to indicate now that I am very much concerned with this problem and intend to go into the matter thoroughly. At a later date, after I have had more time to study this matter, I shall speak on the problem at much greater length.

Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD following my remarks, a number of telegrams which I received in protest against the Civil Aeronautics Board's pending enforcement proceeding.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

KANSAS CITY, Mo., July 9, 1953.
Senator TOM HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

As a war veteran I thought I was fighting for democracy but ever since I have come home and watched the CAB killing off civilian enterprise in aviation I ask myself if I was fighting for bureaucracy at home.

DALE BOWERS.

KANSAS CITY, KANS., July 9, 1953.
Senator TOM HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Recently had to see my son, a Korean veteran in the naval hospital in San Diego and thanks to North American Airlines was able to afford the trip which major airlines made prohibitive. You should fight for any group which keeps prices down.

VINCENT ABELL.

KANSAS CITY, Mo., July 9, 1953.
Senator TOM HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Livelihood of myself and family depend on North American Airlines in Kansas City. Feel there is no justification for putting

this line out of business, except fear of its fine, safe, low-cost service. Hope you will help.

JIMMY JOHNSTON, Sr.,
EDDIE JONES.
LOTHAR KNUATH, Sr.
LOTHAR KNAUTH.

NORTH KANSAS CITY, Mo., July 9, 1953.
Senator TOM HENNINGS, Jr.,
Senate Office Building:

We have worked for North American Air Lines more than 3 years. But this is more than a job. It is a cause with a principle involved and your voice should be heard on this vital issue.

Capt. R. B. HAL,
Capt. D. BUNCH,
Capt. E. TAVEGA,

KANSAS CITY, Mo., July 9, 1953.
Senator THOMAS HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

It was fine for you to fight the book burning. How about stopping the underhanded destruction of free enterprise in aviation? North American Air Coach is being executed because it is a menace to monopoly. Appreciate knowing what you will do to alert country to stop this.

Capt. D. J. KEELER,
Capt. J. P. NEWKIRK,
Capt. JOSEPH DILLARD,
North American Airlines.

KANSAS CITY, Mo., July 6, 1953.
Senator THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Urgently request you advise what specific steps you will take to prevent CAB from its harassment and destruction of North American Airlines, which employs over 400 people and last year carried 8,700 people in and out of Kansas City. Currently CAB using flimsy technical grounds to bring lengthy and expensive proceedings with view to killing North American. Understand Senator THYE and Senate Small Business Committee have intervened, as has Senator TOBEY, but Board disregards all merits involved and is bent upon strangulation by regulation, which is designed to destroy all independent enterprise and aviation. Despite court intervention, CAB is launching its extermination proceedings July 6.

Feel your voice should be raised on Senate floor to prevent economic murder. This is not only vital to the traveling public of Missouri but to the breadwinning veterans who built this industry. Upon your effectiveness depends question whether air over America belongs to few subsidized monopoly airlines or the American public.

Please advise action which you will undertake.

V. GORDON,
Regional Manager, North American
Airlines.

KANSAS CITY, Mo., July 9, 1953.
Senator THOMAS HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Feel North American Airlines survival absolutely necessary as a last stand to save free enterprise in aviation. It is the largest nonscheduled with perfect safety record; provides air transportation to millions in low income bracket. As originator of air-coach-type service, creating new flying market, which will be left without air transportation or forced to pay double on luxury line of monopoly system.

V. GORDON,
Regional Manager.

Public Law 115 - 83d Congress
Chapter 192 - 1st Session
H. R. 6054

AN ACT

To amend the Act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of April 6, 1949 (63 Stat. 43), as amended, is hereby further amended as follows:

(A) After the second sentence of subsection (a) add the following new subsections:

Farmers and stockmen. Loans. 12 USC 1148a-2.

"ECONOMIC DISASTER LOANS

"(b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 855), as amended, to make loans to established farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

64 Stat. 1109.

"SPECIAL LIVESTOCK LOANS

"(c) For a period of two years from the effective date of this subsection loans for \$2,500 or more may be made to established producers and feeders of cattle, sheep, and goats (not including operators of commercial feed lots) who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of three years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 per centum per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this Act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

Interest. Local committees. 67 Stat. 149. 67 Stat. 150.

"EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

64 Stat. 1109. "(d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U. S. C. 1855), as amended, to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time and under such terms and conditions as the Secretary may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and shall reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for costs and administrative expenses necessary in performing such functions."

AMENDMENTS TO EXISTING PROVISIONS

(B) The last sentence of subsection (a) is designated as subsection (e) and a comma and the word "reimbursement", shall be inserted after the word "loans" where it first appears in said subsection.

Appropriations. (C) The letter "(a)" in the last clause of subsection (b) is deleted, the subsection is redesignated as subsection (f), and there shall be added at the end thereof the following new sentence: "There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine."

Loan security. SEC. 2. Loans under this Act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 per centum of the stock or other interest in the corporation or organization.

Approved July 14, 1953.